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# Introductory Section



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December 19, 2016

Citizens of Yankton School District 63-3 Yankton, South Dakota

The Comprehensive Annual Financial Report (CAFR) for Yankton School District 63-3 (District) for the fiscal year ended June 30, 2016, is submitted herewith. The financial statements and schedules presented in this CAFR include all the funds of the District. The financial statements and schedules are presented in conformity with standards set by the Governmental Accounting Standards Board (GASB) and the South Dakota Department of Legislative Audit and audited by a certified public accounting firm in accordance with those same standards.

Responsibility for the accuracy of data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. To provide a reasonable basis for making these representations, management of the District has established an internal control framework that is designed both to protect the District's assets against loss from unauthorized use or disposition and ensure the reliability of financial records for preparing financial statements and maintaining accountability of assets. That said, the District acknowledges that its internal control structure, due to limited personnel, does not provide for an appropriate level of segregation of duties. Because the cost of internal controls should not outweigh their benefits, the District's framework of controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this data is presented in a manner designed to set forth fairly the financial position and results of operations of the District, as measured by the financial activity of the various funds; that all disclosures necessary to enable the reader to gain a comprehensive understanding of the District's financial activity have been included; and the information provided is complete and accurate in all material respects.

The CAFR is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the School District's organizational chart and a list of the District's school board members and principal officials. The financial section includes the independent auditors' report, management's discussion and analysis, the basic financial statements, notes to the financial statements, required supplementary information and other supplementary information. The statistical section includes selected financial and demographic data for periods of up to ten years. The single audit section includes the schedules and various independent auditors' reports and findings required by the Governmental Auditing Standards and OMB Uniform Guidance.

Representatives of Williams & Company, P.C., a certified public accounting firm, have audited the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited district's internal controls and compliance with legal requirements with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit section of this report.

Generally accepted accounting principles in the United States of America require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

The report presents the financial information of the District accurately and concisely. It is designed to be comprehensive yet readable and accessible. This CAFR will be submitted to the Association of School Business Officials International (ASBOI) to be considered for the ASBO Certificate of Excellence.

# **Profile of the District**

Under Title 13-5-1 of South Dakota Codified Laws (SDCL), "Any territory organized for the express purpose of operating not less than a thirteen-year school program and governed by an elected school board is defined as a school district. It may sue and be sued, contract and be contracted with, purchase, hold, and use personal and real property for school purposes, and sell and dispose of the same." The Yankton School District was organized in 1875. The District encompasses 216 square miles including the City of Yankton and is located entirely within Yankton County in southeast South Dakota. The Missouri River forms the southern boundary of the District.

The District provides a full range of educational services for approximately 2,700 students who are residents of the District. These services include early childhood special education, a pre-school program, a junior kindergarten program, regular education for grades kindergarten through twelve, special education for children with identified special needs, secondary career and technical education, an alternative learning program for secondary

students and specialized instruction for students at-risk and students whose primary language is not English.

District enrollment had been steadily declining for the past several years and is projected to continue on a slight decline the next five years. Alternatives to public education (i.e. parochial schools and home-schooling) are contributing to the decline in public school enrollment. Recent trends in survival ratios from grade to grade as well as birth data projections suggest the District enrollment will fluctuate, but continue on a downward trend.

For the 2015-16 School Year, the District employed 352.75 full-time equivalent (FTE) employees including 166.4 certified teachers and 59 paraprofessionals providing instructional services. Various support services were provided by another 127.35 certified and classified employees including 12 administrators.

The students are housed in six schools – four elementary schools (grades K-5), one middle school (grades 6-8) and one high school (grades 9-12). The original buildings vary in age from 21 years (Yankton High School) to 90 years (Beadle Elementary School).

Using a combination of local funds and tuition fees, the District started a pre-school program in FY2008 that proved to be very successful and was continued in FY2016 accommodating approximately 90 students ages 3 and 4 years old during the 2015-16 school year. The program was doubled in FY2011 from 45 students to 90 students with demand continuing to exceed available capacity. In addition, a new administration building which resolved ADA accessibility issues and added much needed space for district-wide administrative and technology functions including housing of the school district's network infrastructure was completed in July 2010. A bus garage and shop/garage was also built to protect and extend the useful life the District's school buses and vehicles. Finally, the School Food Service program continued the successful summer feeding program initiated in FY2007.

Under SDCL 13-8-1, "The school board is an elected body created according to the laws of the state to serve as the governing body of a school district for the purpose of organizing, maintaining, and locating schools and for providing educational opportunities and services for all citizens residing within the school district." A five-member school board governs the District. Members serve a three-year term. The terms are staggered. Elections are held annually in April. Either one or two positions are up for election each year. All board members are elected at large. Under SDCL 13-8-39, "As provided and limited by law, the school board has general charge, direction and management of the schools of the district and control and care of all property belonging to it. The school board may levy taxes, borrow money, employ any necessary personnel, lease real and personal property, carry liability and other insurance, or in lieu of insurance, make other arrangements, including entering into agreements with others, which agreements may create separate legal or administrative entities pursuant to chapter 1-24, to protect and assist the school board in meeting obligations arising from such acts or omissions for which the school board may be legally liable, purchase all necessary books and equipment, purchase real property and erect necessary buildings for the operation of such schools." Management of the District is independent of other state or independent governments.

The District is supported financially by legislatively appropriated state aid, property taxes, state and federal grants for special projects, earnings on investments and other local and miscellaneous revenue. The County Treasurer collects taxes for the District but exercises no control over the District's use of these resources.

The annual budget serves as the foundation for the District's financial planning and control. When the annual budget is approved and adopted by the School Board the expenditures incorporated in the budget become legally binding appropriations and the actual expenditures of the various activities must be in conformity with the budget and any budget The Board receives a proposed budget for supplements subsequently adopted. consideration no later than its regular board meeting in May. Changes may be made to the proposed budget prior to publishing. These changes do not need to be listed in the minutes. Board action should recognize a draft version to be published in July. The proposed budget together with a notice of hearing must be published prior to July 15 and the Board must hold a public hearing on the proposed budget prior to August 1. Prior to October 1, the Board must adopt the final budget and certify the levy to the County Auditor. For the General Fund, Special Education Fund, Capital Outlay Fund and Pension Fund, the levy may be certified to the county either as a dollar amount or as dollars per thousand dollars of taxable valuation. For an opt out of the property tax limitations or Bond Redemption Fund, levies must be certified as a dollar amount. Within thirty days of the adoption of the final budget, the Board must publish in the minutes any changes made in the proposed budget that was published prior to July 15. The legal level of budgetary control, i.e., the level at which management cannot overspend the budget without the approval of the governing body, is at the fund level. If it is determined during that year that sufficient amounts have not been budgeted, the Board may adopt a supplemental budget if monies are available to increase legal spending authority.

Budget-to-actual comparisons for all the governmental funds that have legally adopted budgets are provided in this report. This comparison is presented as required supplementary information.

# **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy. The District is located in Yankton County, a mostly rural area that is predominantly agricultural. In 2010, Yankton County had a population density of 43.1 persons per square mile. The District also encompasses the City of Yankton, a community of approximately 14,454 residents, based on the 2010 Census, with an economic base comprised of manufacturing, commerce and services. As a result of the City's location on the Missouri River, three miles downstream from the Lewis and Clark Lake, tourism is a very important part of the economy. Over 2.5 million visitors arrive annually for boating, swimming, hiking, fishing, hunting and camping activities. Yankton County's unemployment rate of 2.5% (June 2016) is approximately 0.2% lower than the Statewide average of 2.7%. The largest employer within the District, Avera Sacred Heart Health Services, employs 1,000 people, approximately 8.7% of the entire Yankton County work force. Yankton Medical Clinic, one of South Dakota's largest clinics with approximately

50 providers and 250 employees, is another major employer within the District. The recent economic recovery has had a positive impact on manufacturing in Yankton. Kolberg Pioneer, the largest manufacturing employer in Yankton previously reduced its workforce to 370 employees, but has since expanded to 440. Sapa Extrusions (formerly Alcoa) currently employs 400, while Wilson Trailer Company currently employs 337. The largest financial services employer is First National Bank Omaha who currently employs 250, or 2.2% of the workforce. Other significant employers in Yankton include: South Dakota Human Services Center (700), Hy-Vee Food Stores (450) and Wal-Mart (305). The U.S Federal Bureau of Prisons employs 110. Mount Marty College, a four-year co-educational, Catholic, Benedictine, liberal arts college is also located in Yankton and employs 429 people. The City of Yankton employs approximately 145 and the Yankton School District, another major employer in the county, employs over 350 full-time and part-time employees plus and an additional 175 +/- casual employees such as coaches and substitute teachers, etc.

Long-term Financial Planning. The District's taxable valuation has been steadily increasing over the past decade. This growth in taxable property has benefited the District's Special Education, Capital Outlay and Pension Funds. The state's school funding formula, however, prevents the General Fund, the District's major fund that accounts for approximately 70% of its total financial activity from benefiting as a result of the increased taxable valuations. A more detailed explanation can be found in the MD&A. The two key factors affecting the General Fund are the annual per student allocations as set by the state legislature and the District's enrollment. The annual increase in the per student allocation is limited to 3% or the annual percentage change in the consumer price index, whichever is less. The revenue from the per student allocation, a combination of local property taxes and state aid, comprises nearly 85% of the District's General Fund revenues.

A Blue Ribbon Task Force was appointed by South Dakota Governor Dennis Daugaard in 2015 to study and make recommendations to the 2016 Legislature regarding a school funding system overhaul. That overhaul was approved through several pieces of legislation and included a half cent increase to the state sales tax, which had not been done since 1969, providing a new, ongoing revenue source needed to support increasing teacher salaries in South Dakota. More than \$80 million was dedicated to the general fund of school districts to support teacher salaries for the 2016-17 school year through the new formula.

The primary goal was to increase the state average teacher salary from \$40,000 to \$48,500. School districts are expected to put the increased funding they receive toward teacher salaries through a mandate which calls for 85% of the total state aid dollars received to be allocated for teacher pay and a second mandate which requires 85% of the new revenue percentage increase schools receive be spent on certified instructional staff. Failure to comply with both mandates will result in dollar for dollar reductions in future state funding.

Additional components of the new formula include limitations on the amount of property valuation growth that could be taxed for capital outlay purposes year over year along with implementation of permanent flexibility on capital outlay transfers of up to 45% to the general fund at the district's discretion for general fund purposes. Beginning during the 2018-19 school year, fund balance caps will be based on enrollment tiers and calculated by using the district's lowest monthly cash balance of the previous 12-month period. Other revenue including gross receipts tax on utilities, local revenue in lieu of taxes, county apportionment of revenue from traffic fines, county revenue in lieu of taxes, wind farm tax and bank franchise tax will also be equalized state-wide and distributed on a per-student average through the new formula over a five-year phase in period.

Going forward, the basis of the new funding formula shifts away from dependence on a per-student allocation from the state and relies on targets for average teacher salary and student to teacher ratios for determining how state appropriations are allocated to schools. These targets along with overhead factors will be set through school funding legislation year over year.

# Awards and Acknowledgements

Awards. The Association of School Business Officials International (ASBOI) awarded a Certificate of Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. This was the thirteenth consecutive year the District has achieved this prestigious award and is the only school district in South Dakota to attain this recognition for excellence in financial reporting. This award certifies that the District's report substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO International.

The Certificate of Excellence in Financial Reporting Program was designed by ASBO International to enable school business officials to achieve a high standard of financial reporting. The award, the highest recognition for school district financial operations offered by ASBO International, is only conferred to school systems that have met or exceeded the standards of the program. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials.

We believe our current report continues to conform to the Certificate of Excellence program requirements and we are submitting it to ASBO International to determine its eligibility for another certificate.

Acknowledgements. The preparation of the District's fourteenth comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the District's business office. Every member of the business office has our sincere appreciation for the contributions made in the preparation of this report. A special thanks goes to Sheri Duke, Accountant, who is responsible for maintaining the District's capital assets data in order to comply with GASB 34 requirements and assists with compilation of statistical data and general format of this report. Finally, we wish to thank the Yankton School Board. The Board's leadership and continued support made the preparation of this report possible.

Respectfully submitted,

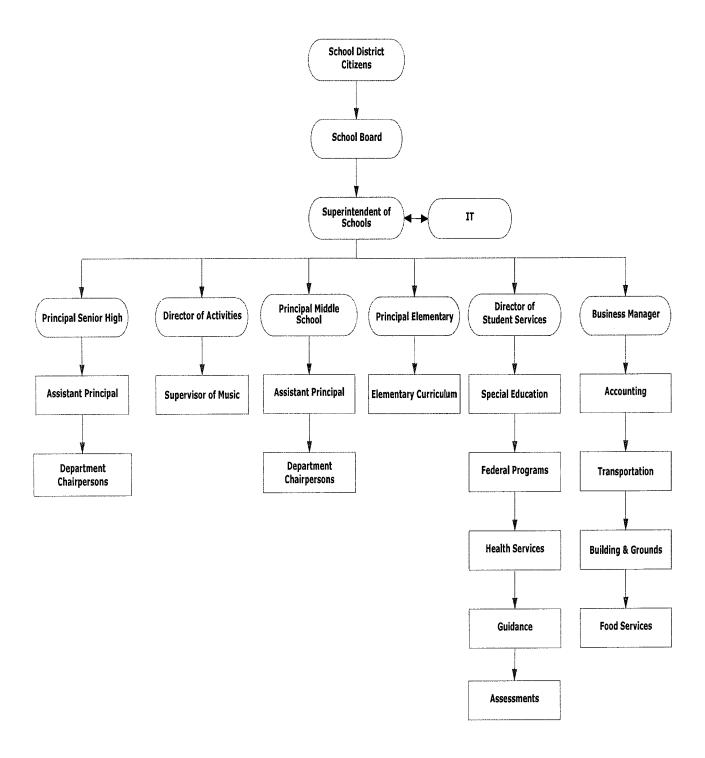
Wayne Kindle, Ed.D.

Superintendent of Schools

Jason L. Bietz

Business Manager

# **ADMINISTRATIVE ORGANIZATIONAL CHART**



### YANKTON SCHOOL DISTRICT NO. 63-3 SCHOOL DISTRICT OFFICIALS YANKTON, SOUTH DAKOTA JUNE 30, 2016

## **SCHOOL BOARD**

Matthew Pietz President

Sara Carda Vice President

Jim Fitzgerald Board Member

Kathy Greenway Board Member

Frani Kieffer Board Member

## SCHOOL DISTRICT STAFF

Wayne Kindle, Ed.D. Superintendent

Kathy Wagner Director of Student Services

Jason L. Bietz Business Manager



The Certificate of Excellence in Financial Reporting Award is presented to

# **Yankton School District**

for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2015.

The CAFR has been reviewed and met or exceeded ASBO International's Certificate of Excellence standards.



Dundo Burkott

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA Executive Director

# Financial Section



614 Broadway PO Box 36 Yankton, SD 57078 Phone (605) 665-9401 Fax (605) 665-9418 www.williamscpas.com

#### INDEPENDENT AUDITORS' REPORT

School Board Yankton School District No. 63-3 Yankton County, South Dakota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Yankton School District No. 63-3 (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Yankton School District No. 63-3, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Other Matters

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of the district's proportionate share of the net pension asset, the schedule of the District's contributions and schedules of funding progress for retiree health insurance coverage on pages 14-25 and 65-73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's

responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Yankton School District No. 63-3's basic financial statements. The introductory section, combining nonmajor and internal service fund financial statements, statement of changes in assets and liabilities for agency funds, budgetary comparison schedule for the pension fund and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The combining nonmajor and internal service fund financial statements, statement of changes in asset and liabilities for agency funds, budgetary comparison schedule for the pension fund and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor and internal service fund financial statements, statements on changes in asset and liabilities for agency funds, budgetary comparison schedule for the pension fund and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2016, on our consideration of Yankton School District No. 63-3's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Yankton School District No. 63-3's internal control over financial reporting and compliance.

Williams & Company, P. C. Certified Public Accountants

Yankton, South Dakota December 19, 2016

# YANKTON SCHOOL DISTRICT 63-3 MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) YEAR ENDED JUNE 30, 2016

As management of Yankton School District 63-3 (District), we offer readers of the District's financial statement this narrative overview and analysis of the District's financial performance for the fiscal year ended on June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements immediately following this section.

#### FINANCIAL HIGHLIGHTS

- As of the close of the fiscal year, the District's governmental funds reported combined ending fund balances of \$10,284,616. Of this total, \$6,697,818 (65.1%) is unassigned and available for use within District policies as compared to combined ending fund balances of \$9,414,630 (\$5,824,196 or 61.9% unassigned) from the previous year.
- During the year, the District's revenues for the governmental funds exceeded expenditures and other sources by \$668,218 primarily due to tax and other county revenues exceeding estimates coupled with reductions in employee benefit expense for self-funded health insurance premiums.
- Unassigned fund balance for the general fund was \$6,697,818 or 44.7% of the total general fund expenditures during the period as compared to \$5,824,196 or 40.6% from the previous year.
- Restricted fund balance for the Capital Outlay Fund increased \$316,947 from \$1,807,550 to \$2,124,497 due to a combination of growth in tax revenues reduction in inventory and prepaid expenses.
- Restricted fund balance for the Special Education Fund decreased \$221,829 from \$1,418,232 to \$1,196,403 primarily as a result of increased expenditures for student services and out-of-district student placements.
- The District's net position from governmental activities increased by \$874,307 or 1.9%, primarily from tax and other county revenues exceeding expectations and reductions in employee benefit expense from health insurance premiums. The District's net position from business-type activities increased \$21,106 primarily due to increases in cash and cash equivalents resulting from meal sales and savings in employee health benefit expense.
- The unrestricted net position in the District's Internal Services Funds (i.e. Self-funded Health Insurance and Unemployment Insurance) decreased from a beginning balance of \$4,551,418 to an ending balance of \$4,279,286 as of June 30, 2016 primarily as a result of intentional utilization of excess reserves during the plan year.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three sections – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two types of statements that present different views of the District:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how basic services, e.g., regular and special education, were financed in the short-term as well as what remains for future spending.
  - Proprietary fund statements offer short-term and long-term financial information about the activities that the school operates like a business and the activities that provide services for its other programs and activities, i.e., internal service activities. The District has two business-type activities, i.e., Food Services

- and Preschool, and two internal service-type activities, i.e., Unemployment and Self-funded Health Insurance.
- Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent of resources that belong to others, e.g., student clubs (agency funds) and scholarships (trust funds).

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required elements of this annual report are arranged and relate to one another.

Figure A-1

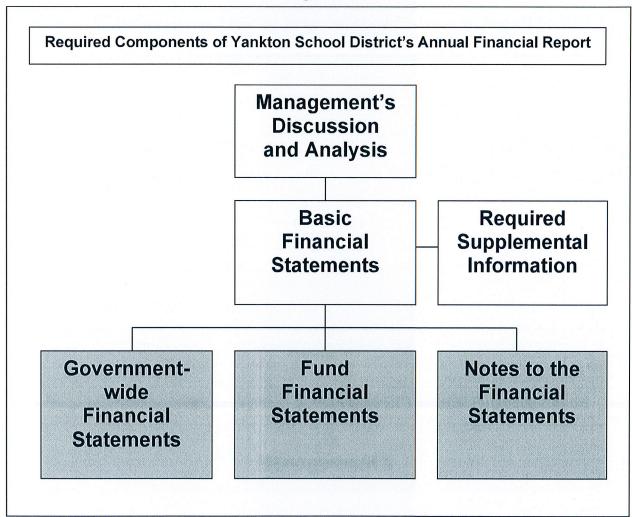


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of the overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2

		Figure A-2						
Ma	jor Functions of the G	overnment-wide and Fund F	inancial Statements					
		Fund Financial Statements						
	Government- wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds				
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as elementary and secondary education programs	Activities the district operates similar to private businesses, e.g., food services	Instances in which the district administers resources on behalf of someone else, e.g., scholarship programs and student activities monies				
Required Financial Statements	*Statement of net position *Statement of activities	*Balance sheet *Statement of revenues, expenditures, and changes in fund balances	*Statement of net position *Statement of cash flows *Statement of revenues, expenses and changes in net position	*Statement of fiduciary net position *Statement of changes in fiduciary net position				
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus				
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short- term and long- term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long- term	All assets and liabilities, short-term and long-term; funds do not currently contain capital assets, although they can				
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless when cash is received or paid				

#### **Government-wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. A statement of the District's net position is one way to measure the District's financial health.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the financial health of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base and changes in the state school aid funding formula from the State of South Dakota.

The government-wide financial statements of the District are reported in two categories:

- Governmental Activities This category includes the District's basic instructional services, such as
  elementary, middle and high school educational programs, support services (guidance, executive
  administration, school board, fiscal services, etc.), debt service payments, extracurricular activities
  (athletics, debate, fine arts, etc.) and capital equipment purchases. Property taxes, state grants and federal
  grants finance most of these activities.
- Business-type Activities The food service fund and preschool program are the two business-type activities
  of the District. The District charges a fee to students to help cover the costs of providing food services to
  all students. Families pay tuition as established by the school board to defray some of the operating
  expenses of offering the program.

#### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant or "major" funds rather than the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- State law requires some funds.
- The District's school board establishes other funds to control and manage money for particular purposes, e.g., various scholarship trust funds.

The District has three generic fund types:

- Governmental Funds Most of the District's basic services are included in the governmental funds which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine if there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided on a subsequent page that explains the relationship and reconciles the differences between the fund financial statements and the government-wide statements.
- Proprietary Funds Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary fund statements, like the government-wide statements, provide both short- and long-term financial information. The District uses an enterprise fund (one type of proprietary fund) to report the activities of its Food Service Program and Preschool Program, both business-type activities. The District also uses internal service funds (the other type of proprietary fund) to report activities that provide services for its other programs and activities. The District currently has two internal service funds the unemployment fund and the self-funded health insurance fund.
- Fiduciary Funds The District is the trustee, or fiduciary, for various external and internal parties. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement

of changes in fiduciary net position. These activities are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

#### FINANCIAL ANALYSIS OF YANKTON SCHOOL DISTRICT 63-3 AS A WHOLE

#### **Net Position**

The District's combined net position changed as follows:

Table A-1
Yankton School District 63-3
Statement of Net Position

	Governmental		<b>Business-Type</b>				
	Activ	vities	Acti	vities	Total		
	2015	2016	2015	2016	2015	2016	
Current and Other Assets	\$28,232,232	\$26,602,071	\$886,990	\$778,352	\$29,119,222	\$27,380,423	
Capital Assets, Net of Depreciation	34,284,958	33,353,906	68,254	56,672	34,353,212	33,410,578	
Total Assets	62,517,190	59,955,977	955,244	835,024	63,472,434	60,791,001	
Deferred Outflows of Resources							
Pension Related Outflows	4,308,660	5,292,951	203,025	253,994	4,511,685	5,546,945	
Total Deferred Outflows of Resources	4,308,660	5,292,951	203,025	253,994	4,511,685	5,546,945	
Long-Term Debt Outstanding	5,790,119	4,928,250	_	_	5,790,119	4,928,250	
Other Liabilities	2,819,310	2,821,231	116,820	92,248	2,936,130	2,913,479	
Total Liabilities	8,609,429	7,749,481	116,820	92,248	8,726,249	7,841,729	
Deferred Inflows of Resources							
Unavailable Revenue-Property Taxes	5,732,235	5,652,295	_	_	5,732,235	5,652,295	
Pension Related Deferred Inflows of	-,,	2,002,270			3,732,233	3,032,233	
Resources	5,632,834	4,121,493	265,421	199,636	5,898,255	4,321,129	
Total Deferred Inflows of Resources	11,365,069	9,773,788	265,421	199,636	11,630,490	9,973,424	
Net Position:							
Net Investment in Capital Assets	30,299,958	29,218,906	68,254	56,672	30,368,212	29,275,578	
Restricted for:							
Capital Outlay	981,090	2,148,850	-	-	981,090	2,148,850	
Special Education	1,426,527	1,234,451	-	-	1,426,527	1,234,451	
Pension	12,277	31,735	-	-	12,277	31,735	
SDRS Pension Purposes	3,539,396	3,964,707	166,778	189,657	3,706,174	4,154,364	
Unrestricted	10,592,104	11,127,010	540,996	550,805	11,133,100	11,677,815	
Total Net Position	46,851,352	47,725,659	776,028	\$797,134	47,627,380	48,522,793	
Increase (Decrease) in Net Position Percentage of Increase	\$ 895,257	\$ 874,307	\$138,547	\$ 21,106	\$ 1,033,804	\$ 895,413	
(Decrease) in Net Position	1.9%	1.9%	21.7%	2.7 %	22.1%	1.9%	

The Statement of Net Position reports all financial and capital resources. The statement presents the assets, deferred outflows of resources, liabilities and deferred inflows of resources in order of relative liquidity. The liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. The long-term liabilities of the District, consisting of construction bonds and capital outlay certificate indebtedness, have been reported in this manner on the Statement of Net Position. The difference between the District's assets plus deferred outflows of resources and the District's liabilities plus deferred inflows of resources is its net position.

## **Changes in Net Position**

#### Governmental Activities:

- Current and other assets decreased \$1,630,161 from \$28,232,232 in FY2015 to \$26,602,071 in FY2016 primarily due to the increase of net pension assets.
- Capital assets net of depreciation decreased \$931,052 from \$34,284,958 in FY2015 to \$33,353,906 in FY2016 primarily due to depreciation and retirement of assets exceeding additions.
- Long-term debt outstanding decreased by \$861,869 from \$5,790,119 in FY2015 to \$4,928,250 in FY2016 due to retirement of \$650,000 of Capital Outlay Certificates during the year. Additionally, Early Retirement Benefits Payable decreased by \$30,894 from \$111,444 in FY2015 to \$80,550 in FY2016, Compensated Absences increased by \$33,927 from zero in FY2015 to \$33,927 in FY2016, and the District's Net OPEB Obligation decreased by \$14,902 from \$693,675 in FY2015 to \$678,773 in FY2016. The District also paid down \$200,000 on a State Revolving Loan for energy efficiency upgrades to school facilities during FY2016. See Note 8 of Notes to Basic Financial Statements for details.
- Other Liabilities increased \$1,921 from \$2,819,310 in FY2015 to \$2,821,231 in FY2016.
- The net impact of the factors described above accounted for an overall increase of \$874,307 or 1.9% in net position in FY2016.
- Deferred outflows of resources for pension related items increased \$984,291 and deferred inflows of resources for pension related items decreased \$1,511,341 in FY2016.

#### Business-Type Activities:

- A decrease of \$108,638 in current and other assets from FY2015 to FY2016, or 12.2% was offset by a decrease of \$24,572 in Other Liabilities from \$116,820 in FY2015 to \$92,248 in FY2016, and in increase in SDRS net pension assets of \$22,879 from \$166,778 in FY2015 to \$189,657 in FY2016.
- Deferred outflows of resources for pension related items increased \$50,969 and deferred inflows of resources for pension related items decreased \$65,785 for FY2016.

#### **GOVERNMENTAL ACTIVITIES**

Table A-2 and the narrative that follows consider the operations of the government-wide activities.

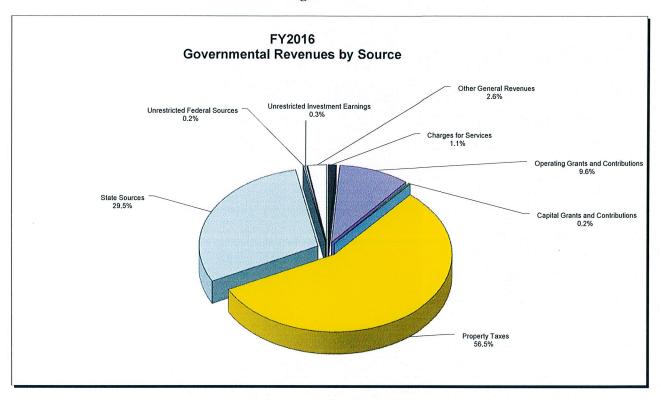
Table A-2
Yankton School District 63-3
Changes in Net Position

	Governmental Activities			ss-Type vities	Total		
	2015	2016	2015	2016	2015	2016	
Revenues	-						
Program Revenues							
Charges for Services	\$ 395,336	\$ 263,834	\$1,014,556	\$ 982,290	\$1,490,892	\$ 1,246,124	
Operating Grants and Contributions	3,098,128	2,280,694	756,906	843,590	3,855,034	3,124,284	
Capital Grants and Contributions	258,002	55,275	-	, <u> </u>	258,002	55,275	
General Revenues		,			,	,	
Property Taxes	12,752,749	13,428,342	-	_	12,752,749	13,428,342	
State Sources	6,716,054	6,995,286	-	-	6,716,054	6,995,286	
Unrestricted Federal Sources	45,838	45,776	-	-	45,838	45,776	
Unrestricted Investment Earnings	49,195	63,744	1,977	2,583 1,729	51,172	66,327	
Other General Revenues	604,285	618,784	(4,725)		599,560	620,513	
Total Revenues	23,919,587	23,751,735	1,768,714	1,830,192	25,688,301	25,581,927	
Expenses							
Instruction	13,643,497	13,549,999	-	-	13,643,497	13,549,999	
Support Services	8,342,969	8,341,157	-	-	8,342,969	8,341,157	
Community Services	13,611	8,934	-	-	13,611	8,934	
Non-Programmed Charges	124,428	88,806	-	-	124,428	88,806	
Interest on LT Debt	55,976	44,814	-	-	55,976	44,814	
Co-Curricular Activities	768,849	768,718	-	-	768,849	768,718	
Food Service	-	-	1,518,425	1,658,945	1,518,425	1,658,945	
Preschool Fund	-	-	125,695	138,794	125,695	138,794	
Concessions Fund			61,047	86,347	61,047	86,347	
Total Expenses	22,949,330	22,802,428	1,705,167	1,884,086	24,654,497	24,686,514	
Excess (Deficiency) of Revenues Over							
Expenses Before Transfers	970,255	949,307	63,547	(53,894)	1,033,804	895,413	
Transfers	(75,000)	(75,000)	75,000	75,000	-		
Changes in Net Position	895,257	874,307	138,547	21,106	1,033,804	895,413	
Net Position – Beginning	45,956,095	46,851,352	637,481	776,028	46,593,576	47,627,380_	
Net Position - Ending	\$46,851,352	\$47,725,659	\$ 776,028	\$ 797,134	\$47,627,380	\$48,522,793	

The District's FY2016 governmental revenues totaled \$23,751,735, a decrease of \$167,852 or 0.7% compared to FY2015 revenues of \$23,919,587 (See Table A-2). Property taxes provided 56.5% of the District's governmental revenue in FY2016 compared to 53.3% in FY2015 (See Figure A-3). Charges for services decreased \$131,502 from \$395,336 in FY2015 compared to \$263,834 in FY2016. Operating grants and contributions decreased \$817,434 from \$3,098,128 in FY2015 to \$2,280,694 in FY2016. Capital grants and contributions decreased \$202,727 from \$258,002 in FY2015 from \$55,275 in FY2016. Other general revenues increased by \$14,499 from \$604,285 in FY2015 to \$618,784 in FY2016.

Net position of the business type activities increased \$21,106 from \$776,028 in FY2015 to \$797,134 in FY2016 fueled largely by the changes in net pension assets and pension related deferred outflows and inflows.

Figure A-3



The District's FY2016 governmental expenses totaled \$22,802,428, compared to \$22,949,330 for FY2015, a decrease of \$146,902 or 0.6%, (See Table A-2) and covered a range of services, including instruction, support services, community services, non-programmed charges, debt service and co-curricular activities. (See Figure A-4). Expenses by function changed from FY2015 to FY2016 as follows: Instruction decreased 0.7% from \$13,643,497 to \$13,549,999, Support Services decreased slightly from \$8,342,969 to \$8,341,157, Non-Programmed Charges decreased \$35,622 or 28.6%, Interest on Long Debt decreased from \$55,976 to \$44,814 or 19.9% and Co-Curricular Activities decreased slightly from \$768,849 to \$768,718.

Figure A-4 illustrates the FY2016 percentage of the total governmental expenses by function as follows: Instruction 59.4%, Support Services 36.6%, Non-Programmed Charges 0.4%, Interest on Long-Term Debt 0.2%, and Co-Curricular Activities 3.4%.

Figure A-4

FY2016
Governmental Expenses by Function

Instruction
59.4%

Support Services
36.6%

Non-Programmed Charges
0.4%
0.2%

#### **BUSINESS-TYPE ACTIVITIES**

Revenues for the District's combined business-type activities, (i.e., food service, a tuition based preschool fund and a concessions fund), increased \$61,478 or 3.5% from \$1,768,714 in FY2015 to \$1,830,192 in FY2016. Combined expenses increased \$178,919 or 10.5% from \$1,705,167 in FY2015 to \$1,884,086 in FY2016. Factors contributing to these results include the following:

- Concessions charges for services amounted to \$71,992 or 7.3% of the \$982,290 total charges for services while Preschool charges for services amounted to \$85,635 or 8.7%.
- Concessions operating expenses amounted to \$86,347 or 4.6% of the \$1,884,086 total operating expenses while Preschool expenses amounted to \$138,794 or 7.4% of the total operating expenses.
- Food Service charges for services amounted to \$824,663 during FY2016, a decrease of \$24,004 from FY2015.
- ADA increased from 2,552 in FY2015 to 2,598 in FY2016, an increase of 46 students per day. (See Table 38 in the Statistical Section for more details)
- The district saw a slight reduction in the average lunches served per day from 2,096 in FY2015 to 2,076 in FY2016.
- The total number of free or reduced lunches served in FY2016 increased from 136,583 in FY2015 to 137,779 in FY2016, an increase of 1,196 or 0.9%.
- Operating Grants and Contributions for the food service program amounted to \$843,590, an increase of \$86,684 from the previous year primarily due to increases in free or reduced price meals served during the year.
- In total, \$75,000 was transferred into the business-type activities during the year. The district's general fund subsidized the preschool program in the amount of \$75,000.

#### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Fund balances changed as follows:

- General Fund increased \$731,880 from \$6,157,052, as restated, in FY2015 to \$6,888,932 in FY2016 primarily
  due to a combination of tax and other county revenues exceeding estimates and utilization of health insurance
  fund reserves through reduced employer-share contributions.
- Capital Outlay Fund increased \$129,850 from \$2,008,213 in FY2015 to \$2,138,063 in FY2016 primarily due to tax revenues exceeding expectations.
- Special Education Fund decreased \$209,181 from \$1,436,220 in FY2015 to \$1,227,039 in FY2016 as a result increases in educational costs for out-of-district student placements.
- Pension Fund balance increased from \$14,913 in FY2015 to \$30,582 in FY2016 as tax revenues exceeded expectations.

#### **BUDGETARY HIGHLIGHTS**

In the General Fund, there were several budgetary variances between the final amended budget and the actual results for FY2016. Revenue from taxes exceeded projections by \$58,297 while county apportionment (weigh station fines) exceeded projections by \$33,161. Revenues from state sources, including restricted and unrestricted grants-in-aid were \$311,630 more than projected. Additionally, revenues from federal sources exceeded expectations by \$22,119. Overall, actual general fund revenues exceeded budgeted revenues by \$470,156.

Expenditures for Instruction were \$173,744 or 1.9% less than budgeted. Expenditures for Support Services were \$335,639 or 5.9% less than anticipated. The actual expenditures for Operation and Maintenance of Plant were \$206,371 less than budgeted which comprised 61.4% of the total Support Services variance. Continued energy conservation measures coupled with lower than expected natural gas costs contributed to the savings. Expenditures for co-curricular activities were \$25,242 or 3.9% less than anticipated. Overall, actual general fund expenditures were \$14,990,951 or \$534,625 (3.4%) less than anticipated.

## CAPITAL ASSET ADMINISTRATION

By the end of FY2016, the District had invested \$60,968,677 in a broad range of capital assets, including land, construction in progress, buildings, improvements other than buildings and equipment for governmental activities (See Table A-3). This amount represents an increase (including additions and retirements) of \$593,253 or 1.0% from the previous year. Facility improvement measures including upgrades to HVAC equipment, lighting retrofits and the addition of air conditioning for three gymnasiums accounted for additions to buildings and improvements other than buildings. Other additions included an ongoing commitment to upgrade the District's technology infrastructure (i.e. security cameras, servers, wireless access points, switches, routers, etc.), a new controlled access security system throughout all district buildings, custodial and maintenance equipment, musical instruments and classroom equipment. While accumulated depreciation increased in the amount of \$1,524,305 in FY2016, capital assets net of depreciation from governmental activities decreased \$931,052 for the fiscal year.

For business-type activities, there were no additions or disposals for the fiscal year. Total assets net of depreciation decreased \$11,582 during FY2016 from \$68,254 in FY2015 to \$56,672 at year-end. For more information, see Note 6 of the Notes to Basic Financial Statements.

Table A-3
Yankton School District 63-3
Capital Assets
(Net of Depreciation)

	Governmental Activities		Business Activi		Total		
	2015	2016	2015	2016	2015	2016	
Capital Assets (not being depreciated)							
Land	\$ 714,443	\$ 714,443	\$ -	\$ -	\$ 714,443	\$ 714,443	
Other Capital Assets (being depreciated)							
Buildings	46,833,688	46,916,045	-	-	46,833,688	46,916,045	
Improvements other than							
Buildings	4,427,856	4,938,752	-	-	4,427,856	4,938,752	
Equipment	8,399,437	8,399,437	347,950	347,950	8,747,387	8,747,387	
	59,660,981	60,254,234	347,950	347,950	60,008,931	60,602,184	
Accumulated Depreciation	(26,090,466)	(27,614,771)	(279,696)	(291,278)	(26,370,162)	(27,906,049)	
Total Depreciable Capital Assets							
net of depreciation	\$33,570,515	\$32,639,463	\$ 68,254	\$ 56,672	\$33,638,769	\$32,696,135	

#### LONG-TERM DEBT

At year-end, the District had \$4,928,250 in total outstanding debt and obligations, a decrease of \$861,869 or 14.9% from FY2015 as \$650,000 of Capital Outlay Certificates (Series 2012) were retired during the year. The District also paid \$200,000 down on a State Energy Efficiency Loan during the year to fund various facility upgrades. Other debt and obligations include Early Retirement Benefits in the amount of \$80,550, a decrease of \$30,894 from FY2015, Compensated Absences of \$33,927, an increase of \$33,927 from FY2015, and Net OPEB Obligations of \$678,773, a decrease of \$14,902 from FY2015. (See Table A-4) For more information, see Note 8 of the Notes to Basic Financial Statements.

Table A-4
Yankton School District 63-3
Outstanding Debt and Obligations

	Governmenta	al Activities	Total Dollar Change	Total Percentage
	2015	2016	2016	Change
Capital Outlay Certificates (Series 2012)	\$ 3,985,000	\$3,335,000	\$ (650,000)	-16.3%
State Revolving Loan	1,000,000	800,000	(200,000)	-20.0%
Early Retirement Benefit Payable	111,444	80,550	(30,894)	-27.7%
Compensated Absences and Benefits Payable	-	33,927	33,927	100.0%
Net OPEB Obligation Payable	693,675	678,773	(14,902)	-2.1%
Total Outstanding Debt and Obligations	\$ 5,790,119	\$4,928,250	\$ (861,869)	-14.9%

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Based on FY2016 fund balances for governmental activities, the District's economic position increased by \$668,218. The total general fund balance increased in the amount of \$731,880 due in large part to tax and other county revenues exceeding expectations and a planned utilization of health insurance reserves by reducing the employer-share of health insurance premiums for employees to the self-insurance fund. The District adopted a deficit general fund operating budget with the intent of maintaining existing staffing and programs in the wake of a

K-12 Education funding freeze in FY2011 from the State of South Dakota followed by a funding cut of 8.6% in the per-student allocation for FY2012. General Fund revenues continue to decline due to stagnant student enrollment. The District did experience growth of approximately \$81,891,484 or 6.6%, in total assessed valuation in 2015 for taxes payable in 2016. While this growth in property valuation does increase the amount of revenue the District can generate from property taxes, levies are limited by the State of South Dakota. In addition, growth in assessed valuation does not improve revenues for the general fund because major revenues for that fund are based on an annual per pupil allocation that is set by the legislature. The allocation is based on a combination of local property tax revenue and state funds. The per pupil allocation multiplied by the district's official enrollment for the previous year determines local need. For districts with a declining enrollment, a two-year average or the current year's official enrollment, whichever is greater, is used in calculating state aid to education. Levies against property valuations determine local effort. This amount is subtracted from the local need and the difference is provided by the state as state aid. With regard to general fund revenues, increases in local property valuations essentially increase the local effort and decrease the amount of state aid the district receives if the per pupil allocation and official enrollment (or two-year average) remain unchanged.

One of the district's primary sources of revenue for the general fund is the per student allocation (PSA) set annually by the state legislature. The state aid formula for FY2016 provided that property taxes plus state aid equal \$4,876.76 per pupil. The allocation per student for FY2011 was cut 8.6% from \$4,805 to \$4,390 in FY2012 as the State of South Dakota addressed budget deficits at the state level. The District's enrollment (full and partially enrolled for funding purposes) increased by twenty-seven (27) students from 2,682 pupils in FY2014 to 2,709 pupils in FY2015 which resulted in \$391,902 more state aid for FY2016 than the previous year.

As noted in the Letter of Transmittal, a Blue Ribbon Task Force was appointed by South Dakota Governor Dennis Daugaard in 2015 to study and make recommendations to the 2016 Legislature regarding a school funding system overall. An overhaul was passed through several pieces of legislation set to take effect in FY2017. The centerpiece of the legislation was passage of a one-cent sales tax with the primary goal of increasing average teacher pay across the entire state from \$40,000 to \$48,500.

School districts, including Yankton, are expected to put the increased funding toward teacher salaries through a mandate which calls for 85% of the total state aid dollars received to be allocated for teacher pay and a second mandate which requires 85% of the total new revenue be spent on certified instructional staff. Failure to comply with both mandates will result in dollar for dollar reductions in future state funding.

Going forward, the basis of the new funding formula is average teacher salary and student-teacher ratios rather than per student allocations. It remains to be seen how the state will adjust key factors in the new formula and if additional spending mandates will be added to the legislation when school funding is approved through legislative appropriations and how these adjustments translate to actual revenues.

## CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, patrons, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions regarding this report or need additional information, contact the Yankton School District 63-3 Business Office, 2410 West City Limits Road, Yankton, South Dakota 57078 or call (605) 665-3980.

# Basic Financial Statements

#### YANKTON SCHOOL DISTRICT NO. 63-3 STATEMENT OF NET POSITION JUNE 30, 2016

		Primary Governmen	ıt
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 16,648,336	\$ 581,894	\$ 17,230,230
Taxes ReceivableCurrent	5,757,212	-	5,757,212
Taxes ReceivableDelinguent	110,543	-	110,543
Accounts Receivable, Net	70,262	-	70,262
Internal Balances	18,704	(18,704)	· -
Due from Other Governments	968,449	21,268	989,717
Inventories	21,868	38,241	60,109
Prepaid Expenses	213,448	20,354	233,802
Net Pension Asset	2,793,249	135,299	2,928,548
Capital Assets:			
Land	714,443	-	714,443
Other Capital Assets, Net of Depreciation	32,639,463	56,672	32,696,135
Total Assets	59,955,977	835,024	60,791,001
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferred Outflows	5,292,951	253,994	5,546,945
Total Deferred Outflows of Resources	5,292,951	253,994	5,546,945
LIABILITIES			
Accounts Payable	619,946	13,045	632,991
Contracts Payable	1,481,966	18,780	1,500,746
Incurred but not Reported Claims	325,975	10,700	325,975
Due to Other Governments	4,559	_	4,559
Sales Tax Payable	4,000	131	131
Interest Payable	1,731	-	1,731
Payroll Deductions and Withholdings and	1,701		1,701
Employer Matching Payable	385,818	21,554	407,372
Unearned Revenue	1,236	38,738	39,974
Noncurrent Liabilities:	1,200	00,700	55,571
Due within One Year			
Early Retirement Benefits	80,550	_	80,550
Compensated Absences and Benefits	6,785	_	6,785
Capital Outlay Certificates	650,000	_	650,000
State Revolving Loan	200,000	-	200,000
Due in More Than One Year	,		
Compensated Absences and Benefits, Long-Term	27,142	_	27,142
Net OPEB Obligation	678,773	-	678,773
Capital Outlay Certificates	2,685,000	_	2,685,000
State Revolving Loan	600,000		600,000
Total Liabilities	7,749,481	92,248	7,841,729
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue -			
Property Taxes Intended to Finance Next Fiscal Year	5,652,295	_	5,652,295
Pension Related Deferred Inflows	4,121,493	199,636	4,321,129
Total Deferred Inflows of Resources	9,773,788	199,636	9,973,424
NET POSITION  Net Investment in Capital Assets	29,218,906	56,672	29,275,578
·	25,210,500	30,072	20,210,010
Restricted for:	2,148,850		2,148,850
Capital Outlay Special Education	2,146,650 1,234,451	-	2, 146,650 1,234,451
Special Education Pension Fund Purposes	31,735	-	31,735
SDRS Pension Purposes	3,964,707	189,657	4,154,364
Unrestricted	3,964,707 11,127,010	550,805	11,677,815
Oncomoted		<del></del>	
Total Net Position	\$ 47,725,659	\$ 797,134	\$ 48,522,793

#### YANKTON SCHOOL DISTRICT NO. 63-3 STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2016

			Program Revenues				
				, ,	(	Operating	
			С	harges for	G	rants and	
Functions/Programs		Expenses		Services	Co	ntributions	
Primary Government:							
Governmental Activities:							
Instruction	\$	13,549,999	\$	1,546	\$	1,720,181	
Support Services		8,341,157		131,635		560,513	
Community Services		8,934		-		-	
Nonprogrammed Charges		88,806		-		-	
Interest on Long-term Debt		44,814		-		-	
Cocurricular Activities		768,718		130,653		-	
Total Governmental Activities	-	22,802,428		263,834		2,280,694	
Business-Type Activities:							
Food Service		1,658,945		824,663		843,590	
Preschool		138,794		85,635		-	
Concessions		86,347		71,992		-	
Total Business-Type Activities		1,884,086		982,290		843,590	
Total Primary Government	\$	24,686,514	\$	1,246,124	\$	3,124,284	

General Revenues:

Taxes:

**Property Taxes** 

**Utility Taxes** 

Unrestricted Revenue from State Sources:

State Aid

Unrestricted Revenue from Federal Sources

Unrestricted Investment Earnings

Other General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue and

Program Revenu	ies	Changes in Net Position						
Capital		Primary Government						
Grants and		G	overnmental	Business-Type				
Contribution	18		Activities	Activities		Total		
\$ 5	55,275	\$	(11,772,997)		\$	(11,772,997)		
	-		(7,649,009)			(7,649,009)		
	5 m <u>-</u> , -		(8,934)			(8,934)		
	-		(88,806)			(88,806)		
	-		(44,814)			(44,814)		
			(638,065)		1	(638,065)		
Ę	55,275		(20,202,625)			(20,202,625)		
	-			9,308		9,308		
	_			(53,159)		(53,159)		
	-			(14,355)		(14,355)		
	-							
\$ 5	55,275			(58,206)		(20,260,831)		
			13,107,430	) (1 ) (1 ) (1 ) (1 ) (1 ) (1 )		13,107,430		
			320,912	-		320,912		
			6,995,286			6,995,286		
			45,776			45,776		
			63,744	2,583		66,327		
			618,784	1,729		620,513		
		_	(75,000)	75,000		-		
			21,076,932	79,312		21,156,244		
			874,307	21,106		895,413		
			46,851,352	776,028		47,627,380		

#### YANKTON SCHOOL DISTRICT NO. 63-3 BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2016

	Major Funds
	General Fund
ASSETS	
Cash and Cash Equivalents	\$ 7,574,623
Taxes ReceivableCurrent	2,989,354
Taxes ReceivableDelinquent Accounts Receivable, Net	83,520
Due from Other Funds	32,462 19,557
Due from Other Governments	682,805
Inventory of Supplies	21,868
Prepaid Expenses	169,246
Total Assets	11,573,435
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities:	407.004
Accounts Payable Contracts Payable	107,081 1,237,919
Due to Other Funds	1,237,919
Due to Other Governments	4,559
Payroll Deductions and Withholdings and	
Employer Matching Payable	324,120
Unearned Revenue	1,236
Total Liabilities	1,675,768
Deferred Inflows of Resources:	
Unavailable Revenue - Taxes Levied for a Future Period	2,935,466
Unavailable Revenue - Delinquent Property Taxes	73,269
Total Deferred Inflows of Resources	3,008,735
Fund Balances:	
Nonspendable:	
Inventory of Supplies	21,868
Prepaid Expenses Restricted For:	169,246
Capital Outlay	_
Special Education	_
Pension	-
Unassigned	6,697,818
Total Fund Balances	6,888,932
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,573,435</u>

	Мајо	r Funds		N	on Major Funds		
Cap	Capital Outlay Fund		ial Education Fund		Pension Fund		Total overnmental Funds
\$	2,406,169 1,764,151 16,253 37,800 - 18,070 - 13,566	\$	1,312,519 827,292 9,243 - 1,879 267,490 - 30,636	\$	26,873 176,415 1,527 - - 84	\$	11,320,184 5,757,212 110,543 70,262 21,436 968,449 21,868 213,448
	4,256,009		2,449,059		204,899		18,483,402
	371,907 -		96,840 244,047		-		575,828 1,481,966
	1,879		-		-		2,732
	-		-		-		4,559
	<u>-</u>		61,698 -		-		385,818 1,236
	373,786		402,585				2,452,139
	1,731,642		812,023		173,164		5,652,295
	12,518		7,412		1,153		94,352
	1,744,160		819,435	<del></del>	174,317		5,746,647
	- 13,566		- 30,636		- -		21,868 213,448
	2,124,497		-		-		2,124,497
	-		1,196,403		-		1,196,403
	-		-		30,582		30,582
	<del>-</del>				<u></u>		6,697,818
	2,138,063		1,227,039		30,582		10,284,616
\$	4,256,009	\$	2,449,059	\$	204,899	<u>\$</u>	18,483,402

#### YANKTON SCHOOL DISTRICT NO. 63-3 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2016

Amounts reported for Governmental Activites in the Statement of Position are different because:

Total Fund Balances - Governmental Funds		\$	10,284,616
Net pension assets used in governmental activities are not financial resources and, therefore, are not reported as an asset in the governmental funds.			2,793,249
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Land & Construction in Progress	\$ 714,443		
Other Capital Assets	60,254,234		
Accumulated Depreciation	(27,614,771)	•	33,353,906
Accrued expenses such as interest, early retirement benefits, and compensated absences			
that are not reported on the modified accrual basis fund balance sheet.			(116,208)
Long-term liabilities, including capital outlay certificates payable and state revolving loans, are not due and payable in the current period and, therefore, are not reported in the funds.  Capital Outlay Certificates  State Revolving Loan	(3,335,000) (800,000)		(4,135,000)
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:			
Deferred Outflows of Resources	5,292,951		
Deferred Inflows of Resources	(4,121,493)		1,171,458
Assets such as delinquent taxes receivable and some utility tax revenue are not available to pay for current period expenditures and therefore are deferred in the funds.			94,352
Internal service funds are used by management to charge the costs of activities, such as insurance, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.			4,279,286
Net Position- Governmental Funds	•	s.	47,725,659
		Ψ	71,120,000

#### YANKTON SCHOOL DISTRICT NO. 63-3 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	Major Funds
	General Fund
Revenues:	
Revenue from Local Sources:	
Taxes:	
Ad Valorem Taxes	\$ 6,720,125
Prior Years' Ad Valorem Taxes	77,784
Utility Taxes	320,912
Penalties and Interest on Taxes	18,991
Tuition and Fees:	
Student Tuition	1,546
Earnings on Investments and Deposits	27,689
Cocurricular Activities:	π, 1999
Admissions	103,445
Other Pupil Activity Income	27,208
Other Revenue from Local Sources:	21,200
Rentals	59,758
Contributions and Donations	39.608
Refund of Prior Years' Expenditures	1,961
Charges for Services	17,488
Other	152,626
Revenue from Intermediate Sources:	132,020
County Sources:	
County Sources.  County Apportionment	358,161
Revenue for Joint Facilities	•
Revenue from State Sources:	109,909
Grants-in-Aid:	
	0.005.000
Unrestricted Grants-in-Aid	6,995,286
Restricted Grants-in-Aid	-
Other State Revenue	1,300
Revenue from Federal Sources:	
Grants-in-Aid:	
Unrestricted Grants-in-Aid Received Directly	
from Federal Government	45,776
Restricted Grants-in-Aid Received from	
Federal Government Through the State	718,258
Total Revenue	15,797,831
Expenditures:	
Current:	
Instruction:	
Regular Programs:	
Elementary	3,854,288
Middle/Junior High	1,792,992
High School	2,612,083
Special Programs:	_,- :_,,
Gifted and Talented	56
Programs for Special Education	•
Educationally Deprived	450,151
Other Special Programs	\$ 105,537
· -p ·	<b>4</b> 100,307

Major Funds		No	n Major Funds				
Ca	pital Outlay Fund	Spec	ial Education Fund		Pension Fund		Total overnmental Funds
\$	3,852,817 35,147	\$	1,849,359 17,336	\$	385,281 3,515	\$	12,807,582 133,782 320,912
	6,706		2,913		647		29,257
	6,354		5,187		186		1,546 39,416
	-		-		-		103,445 27,208
	- 12,732		-		- -		59,758 52,340
	-		-		_		1,961
	6,670		18,022 -		-		35,510 159,296
	- 21,726		-		-		358,161 131,635
	17,545 -		836,626 -		- - -		6,995,286 854,171 1,300
	-		-		-		45,776
	24,998		689,000				1,432,256
	3,984,695		3,418,443		389,629		23,590,598
	346,393 161,187 404,539		- - -		169,012 82,142 117,728		4,369,693 2,036,321 3,134,350
	7,799		- 2,456,887 -		-		56 2,464,686 450,151
\$	-	\$	-	\$	5,078	\$	110,615

(CONTINUED)

#### YANKTON SCHOOL DISTRICT NO. 63-3 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2016

FOR THE YEAR ENDED JUNE 30, 2016	
	Major Funds
	General
	Fund
Support Services:	
Pupils: Attendance and Social Work	<b>6</b> 005
Guidance	\$ 695 375,881
Health	107,136
Psychological	107,130
Speech Pathology	-
Student Therapy	_
Orientation and Mobility	-
Instructional Staff:	
Improvement of Instruction	57,403
Educational Media	342,365
General Administration:	
Board of Education	173,393
Executive Administration	212,797
School Administration: Office of the Principal	4 070 000
Other School Administration Services	1,272,682 12,907
Business:	12,901
Fiscal Services	365,896
Facilities Acquisition and Construction	-
Operation and Maintenance of Plant	2,022,772
Pupil Transportation	421,283
Food Services	54,438
Central:	
Staff	4,914
Special Education:	
Administrative Costs	
Information Transportation Costs	-
Other Special Education Costs	•
Community:	•
Nonpublic School Pupils	8,934
Nonprogrammed Charges:	,
Early Retirement Payments	119,969
Cocurricular Activities:	
Transportation	44,268
Combined Activities	578,111
Debt Service	
Principal Interest and Fees	-
Total Expenditures	14,990,951
Excess(Deficiency) of Revenue Over(Under) Expenditures	806,880
	000,000
Other Financing (Uses):	
Transfers Out	(75,000)
Total Other Financing (Uses)	(75,000)
Net Change in Fund Balances	731,880
Fund Balance - Beginning	5,955,284
Prior Period Adjustment	201,768
Fund Balance - Beginning (As Restated)	6,157,052
Fund Balance - Ending	\$ 6,888,932

Capital Outlay Fund         Special Education Fund         Pension Funds         Total Governmental Funds           \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ .	Major Funds		Non N	lajor Funds			
- 22,946 - 375,881 - 221,139 - 221,139 - 221,139 - 221,139 - 221,139 - 221,139 - 380,784 - 380,784 - 380,784 - 167,957 - 167,957 - 11,643 - 11,643 - 11,643 - 11,643 - 11,643 - 11,643 - 12,777 - 12,777 1,810 - 175,203 12,777 12,777 12,777 12,777 12,777 12,777 12,777 12,777 12,907 - 12,908 - 12,908,213 1,436,220 14,913 9,414,630		/ Spe					
- 22,946 - 375,881 - 221,139 - 221,139 - 221,139 - 221,139 - 221,139 - 221,139 - 380,784 - 380,784 - 380,784 - 167,957 - 167,957 - 11,643 - 11,643 - 11,643 - 11,643 - 11,643 - 11,643 - 12,777 - 12,777 1,810 - 175,203 12,777 12,777 12,777 12,777 12,777 12,777 12,777 12,777 12,907 - 12,908 - 12,908,213 1,436,220 14,913 9,414,630							
- 22,946 - 130,082 - 221,139 - 221,139 - 221,139 - 221,139 - 380,784 - 380,784 - 380,784 - 167,957 - 167,957 - 11,643 -	\$	- \$	-	\$	-		
- 221,139 - 221,139 - 380,784 - 380,784 - 167,957 - 167,957 - 11,643 - 11,643 - 4,741 - 62,144 - 40,374 608 383,347 - 1,810 - 175,203 1,810 - 175,203 1,272,682 1,272,682 1,272,682 1,2907 - 55,932 421,828 - 62,944 - 662,944 - 62,944 - 62,944 - 1,006,238 - 3,029,010 - 182,546 - 603,829 - 2,539 - 56,977 4,914 - 152,260 - 152,260 - 14,170 - 13,118 - 103,118 - 103,731 - 103,731 133,118 - 103,731 4,944 5,300 4,945 44,268 - 75,184 653,295 - 860,000 45,000 76,000		-	-		-		
- 380,784 - 167,957 - 111,643 - 11,643 - 11,643 - 1,4741 - 62,144 - 40,374 - 608 - 383,347 - 1,810 - 1,810 - 1,75,203 212,797 - 1,272,682 1,279,682 1,290,7 - 1,290,7 1,200,7 1,200,7 1,200,7 1,200,7 1,200,7 1,200,7 1,200,7 1,200,7 1,200,7 1,200,7 1,200,7 1,200,7 1,200,7 1,200,7 1,200,7 1,200,7 1,20		-			-		
- 167,957 - 11,643 - 4,741 - 40,374 - 608 - 333,347 - 1,810 - 175,203 - 1,272,682 - 1,2907 - 1,272,682 - 1,2907		-			-		
- 11,643 - 4,741 - 62,144 40,374 - 608 - 383,347 - 1,810 - 175,203 212,797 1,272,682 12,907 - 55,932 12,907 - 55,932 421,828 - 662,944 662,944 662,944 - 1,006,238 603,829 - 2,539 56,977 4,914 - 152,260 - 152,260 - 14,170 - 103,118 - 103,731 14,170 - 103,118 - 103,731 44,268 - 75,184 44,268 - 75,184 44,268 - 75,184 44,268 - 75,184 44,268 - 75,184 44,268 - 75,184 44,268 - 75,184 45,000 - 45,000 850,000 - 45,000 850,000 - 45,000		-			-		
-       4,741       -       62,144         40,374       608       383,347         -       1,810       -       175,203         -       -       -       212,797         -       -       -       212,797         -       -       -       12,907         55,932       -       -       421,828         662,944       -       -       662,944         1,006,238       -       -       603,829         2,539       -       -       603,829         2,539       -       -       603,829         2,539       -       -       603,829         2,539       -       -       603,829         2,539       -       -       603,829         2,539       -       -       603,829         2,539       -       -       152,260         14,170       -       -       14,170         -       -       103,731       -       103,731         -       -       -       8,934         -       -       -       44,268         75,184       -       -       653,295		-			-		
40,374       608       383,347         -       1,810       -       175,203         -       -       212,797         -       -       1,272,682         -       -       12,907         55,932       -       -       421,828         662,944       -       -       662,944         1,006,238       -       3,029,010       182,646       -       603,829         2,539       -       -       603,829       2,597       -       4,914         -       -       -       4,914       -       -       4,914         -       -       -       -       152,260       -       152,260       -       152,260       -       14,170       -       -       14,170       -       -       14,170       -       -       13,118       -       103,118       -       103,731       -       103,731       -       103,731       -       103,731       -       -       8,934         -       -       -       -       -       44,268       -       653,295       -       -       -       44,268       -       -       653,295       -       -		-	11,643		-	11,643	
- 1,810 - 175,203 212,797 1,272,682 12,907  55,932 421,828 662,944 662,944 1,006,238 - 3,029,010 182,546 603,829 2,539 56,977 4,914  - 152,260 - 152,260 14,170 14,170 - 103,118 - 103,118 - 103,731 - 103,731 8,934 8,934  44,268 75,184 653,295  850,000 44,268 75,184 - 653,295  850,000 650,000 45,000 45,000 3,854,845 3,627,624 373,960 22,847,380 129,850 (209,181) 15,669 743,218  (75,000) (75,000) 129,850 (209,181) 15,669 668,218 2,008,213 1,436,220 14,913 9,414,630 201,768		-	4,741		-	62,144	
	40,37	74	608			383,347	
1,272,682 12,907  55,932		-	1,810		-	175,203	
55,932       -       421,828         662,944       -       -       662,944         1,006,238       -       -       603,829         2,539       -       -       603,829         2,539       -       -       56,977         -       -       -       4,914         -       -       -       603,829         2,539       -       -       56,977         -       -       -       4,914         -       -       -       603,829         14,170       -       -       14,170         -       -       103,118       -       103,731         -       -       103,731       -       103,731         -       -       -       8,934         -       -       -       44,268         75,184       -       -       653,295         850,000       -       -       850,000         45,000       -       -       850,000         45,000       -       -       850,000         45,000       -       -       45,000         3,854,845       3,627,624       373,960       22		-	-		-	212,797	
55,932       -       421,828         662,944       -       662,944         1,006,238       -       3,029,010         182,546       -       -       603,829         2,539       -       -       56,977         -       -       -       4,914         -       -       -       4,914         -       -       -       152,260         14,170       -       -       14,170         -       -       103,118       -       103,118         -       103,731       -       103,731         -       -       -       8,934         -       -       -       44,268         75,184       -       -       653,295         850,000       -       -       45,000         45,000       -       -       45,000         3,854,845       3,627,624       373,960       22,847,380         129,850       (209,181)       15,669       743,218         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,000)		-	-		-	1,272,682	
662,944       -       662,944         1,006,238       -       3,029,010         182,546       -       -       603,829         2,539       -       -       56,977         -       -       -       4,914         -       -       -       4,914         -       -       -       152,260         14,170       -       -       14,170         -       -       103,118       -       103,731         -       -       103,731       -       103,731         -       -       -       8,934         -       -       -       44,268         75,184       -       -       653,295         850,000       -       -       45,000         45,000       -       -       45,000         3,854,845       3,627,624       373,960       22,847,380         129,850       (209,181)       15,669       743,218         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,000)<		-	-		-	12,907	
1,006,238       -       3,029,010         182,546       -       -       603,829         2,539       -       -       56,977         -       -       -       4,914         -       -       -       152,260         14,170       -       -       14,170         -       -       103,118       -       103,731         -       -       103,731       -       103,731         -       -       -       8,934         -       -       -       44,268         75,184       -       -       44,268         75,184       -       -       45,000         45,000       -       -       45,000         3,854,845       3,627,624       373,960       22,847,380         129,850       (209,181)       15,669       743,218         -       -       -       (75,000)         -       -       -       (75,000)         129,850       (209,181)       15,669       743,218         2,008,213       1,436,220       14,913       9,414,630         -       -       -       -       -         <	55,93	32	-		-	421,828	
1,006,238       -       3,029,010         182,546       -       -       603,829         2,539       -       -       56,977         -       -       -       4,914         -       -       -       152,260         14,170       -       -       14,170         -       -       103,118       -       103,731         -       -       103,731       -       103,731         -       -       -       8,934         -       -       -       44,268         75,184       -       -       44,268         75,184       -       -       45,000         45,000       -       -       45,000         3,854,845       3,627,624       373,960       22,847,380         129,850       (209,181)       15,669       743,218         -       -       -       (75,000)         -       -       -       (75,000)         129,850       (209,181)       15,669       743,218         2,008,213       1,436,220       14,913       9,414,630         -       -       -       -       -         <			_		_		
182,546       -       -       603,829         2,539       -       -       56,977         -       -       -       4,914         -       -       -       4,914         -       -       -       152,260         14,170       -       -       14,170         -       -       103,118       -       103,731         -       -       -       8,934         -       -       -       8,934         -       -       -       44,268         75,184       -       -       653,295         850,000       -       -       45,000         45,000       -       -       45,000         3,854,845       3,627,624       373,960       22,847,380         129,850       (209,181)       15,669       743,218         -       -       -       (75,000)         -       -       -       (75,000)         129,850       (209,181)       15,669       668,218         2,008,213       1,436,220       14,913       9,414,630         -       -       -       201,768         2,008,213       1			-				
2,539       -       -       56,977         -       -       -       4,914         -       152,260       -       152,260         14,170       -       -       14,170         -       103,118       -       103,118         -       103,731       -       103,731         -       -       -       8,934         -       -       -       44,268         75,184       -       -       44,268         75,184       -       -       653,295         850,000       -       -       45,000         45,000       -       -       45,000         3,854,845       3,627,624       373,960       22,847,380         129,850       (209,181)       15,669       743,218         -       -       -       (75,000)         -       -       -       (75,000)         129,850       (209,181)       15,669       668,218         2,008,213       1,436,220       14,913       9,414,630         -       -       -       -       201,768         2,008,213       1,436,220       14,913       9,616,398 <td></td> <td></td> <td>_</td> <td></td> <td>-</td> <td></td>			_		-		
-       152,260       -       152,260         14,170       -       -       14,170         -       103,118       -       103,118         -       103,731       -       103,731         -       -       -       8,934         -       -       -       119,969         -       -       -       44,268         75,184       -       -       653,295         850,000       -       -       45,000         45,000       -       -       45,000         3,854,845       3,627,624       373,960       22,847,380         129,850       (209,181)       15,669       743,218         -       -       -       (75,000)         129,850       (209,181)       15,669       668,218         2,008,213       1,436,220       14,913       9,414,630         -       -       -       201,768         2,008,213       1,436,220       14,913       9,616,398			-		-		
14,170       -       103,118       -       103,118         -       103,731       -       103,731         -       -       -       8,934         -       -       -       119,969         -       -       -       44,268         75,184       -       -       653,295         850,000       -       -       45,000         45,000       -       -       45,000         3,854,845       3,627,624       373,960       22,847,380         129,850       (209,181)       15,669       743,218         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,0		-	-		-	4,914	
14,170       -       103,118       -       103,118         -       103,731       -       103,731         -       -       -       8,934         -       -       -       119,969         -       -       -       44,268         75,184       -       -       653,295         850,000       -       -       45,000         45,000       -       -       45,000         3,854,845       3,627,624       373,960       22,847,380         129,850       (209,181)       15,669       743,218         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,000)         -       -       -       (75,0		_	152.260		_	152.260	
- 103,118 - 103,731 - 103,731 - 103,731 - 103,731 - 103,731 8,934 119,969 44,268 - 75,184 44,268 - 75,184 850,000 45,000 45,000 45,000 45,000 (75,000)	14.17	70			-		
- 103,731 - 103,731  8,934  119,969  44,268  75,184 653,295  850,000 850,000  45,000 45,000  3,854,845 3,627,624 373,960 22,847,380  129,850 (209,181) 15,669 743,218  (75,000)  (75,000)  129,850 (209,181) 15,669 668,218  2,008,213 1,436,220 14,913 9,414,630  201,768  2,008,213 1,436,220 14,913 9,616,398	·	_	103,118		_		
44,268 75,184 453,295  850,000 850,000 45,000 45,000 3,854,845 3,627,624 373,960 22,847,380 129,850 (209,181) 15,669 743,218  (75,000) 129,850 (209,181) 15,669 668,218 2,008,213 1,436,220 14,913 9,414,630 201,768 2,008,213 1,436,220 14,913 9,616,398		-			-		
44,268 75,184 653,295  850,000 850,000 45,000 45,000 3,854,845 3,627,624 373,960 22,847,380 129,850 (209,181) 15,669 743,218  (75,000) (75,000) 129,850 (209,181) 15,669 668,218 2,008,213 1,436,220 14,913 9,414,630 201,768 2,008,213 1,436,220 14,913 9,616,398		-	-		-	8,934	
75,184         -         -         653,295           850,000         -         -         850,000           45,000         -         -         45,000           3,854,845         3,627,624         373,960         22,847,380           129,850         (209,181)         15,669         743,218           -         -         -         (75,000)           -         -         (75,000)         (75,000)           129,850         (209,181)         15,669         668,218           2,008,213         1,436,220         14,913         9,414,630           -         -         -         201,768           2,008,213         1,436,220         14,913         9,616,398		-	-		-	119,969	
75,184         -         -         653,295           850,000         -         -         850,000           45,000         -         -         45,000           3,854,845         3,627,624         373,960         22,847,380           129,850         (209,181)         15,669         743,218           -         -         -         (75,000)           -         -         (75,000)         (75,000)           129,850         (209,181)         15,669         668,218           2,008,213         1,436,220         14,913         9,414,630           -         -         -         201,768           2,008,213         1,436,220         14,913         9,616,398		_	_		_	44 268	
45,000         -         -         45,000           3,854,845         3,627,624         373,960         22,847,380           129,850         (209,181)         15,669         743,218           -         -         -         (75,000)           -         -         -         (75,000)           129,850         (209,181)         15,669         668,218           2,008,213         1,436,220         14,913         9,414,630           -         -         201,768           2,008,213         1,436,220         14,913         9,616,398	75,18	34	-		-		
45,000         -         -         45,000           3,854,845         3,627,624         373,960         22,847,380           129,850         (209,181)         15,669         743,218           -         -         -         (75,000)           -         -         -         (75,000)           129,850         (209,181)         15,669         668,218           2,008,213         1,436,220         14,913         9,414,630           -         -         201,768           2,008,213         1,436,220         14,913         9,616,398	850.00	00	_		_	850.000	
3,854,845         3,627,624         373,960         22,847,380           129,850         (209,181)         15,669         743,218           -         -         -         (75,000)           -         -         (75,000)           129,850         (209,181)         15,669         668,218           2,008,213         1,436,220         14,913         9,414,630           -         -         -         201,768           2,008,213         1,436,220         14,913         9,616,398			_		_		
129,850     (209,181)     15,669     743,218       -     -     -     (75,000)       -     -     -     (75,000)       129,850     (209,181)     15,669     668,218       2,008,213     1,436,220     14,913     9,414,630       -     -     -     201,768       2,008,213     1,436,220     14,913     9,616,398			3.627.624		373,960		
-     -     -     (75,000)       129,850     (209,181)     15,669     668,218       2,008,213     1,436,220     14,913     9,414,630       -     -     -     201,768       2,008,213     1,436,220     14,913     9,616,398							
-     -     -     (75,000)       129,850     (209,181)     15,669     668,218       2,008,213     1,436,220     14,913     9,414,630       -     -     -     201,768       2,008,213     1,436,220     14,913     9,616,398							
-     -     -     (75,000)       129,850     (209,181)     15,669     668,218       2,008,213     1,436,220     14,913     9,414,630       -     -     -     201,768       2,008,213     1,436,220     14,913     9,616,398		-	-		-	(75.000)	
2,008,213     1,436,220     14,913     9,414,630       -     -     -     201,768       2,008,213     1,436,220     14,913     9,616,398		<u> </u>	-				
-     -     -     201,768       2,008,213     1,436,220     14,913     9,616,398	129,85	50	(209,181)		15,669	668,218	
2,008,213 1,436,220 14,913 9,616,398	2,008,21	13	1,436,220		14,913	9,414,630	
2,008,213 1,436,220 14,913 9,616,398		<u>-</u>	<u>-</u>			201,768	
	2,008,21	13	1,436,220		14,913		
				\$			

## YANKTON SCHOOL DISTRICT NO. 63-3 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2016

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - Total Governmental Funds		\$ 668,218
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.  Capital Asset Expenditures  \$ Depreciation Expense	729,918 (1,660,970)	(931,052)
Repayment of bond and certificate principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		850,000
The Statement of Activities includes the deliquent property taxes as revenue in the period which it is intended to finance but governmental funds report deliquent property taxes as revenue only when it is available as well.		136,809
Pension revenues reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds as follows:		425,311
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(2,847)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		(272,132)
Change in Net Position of Governmental Activities		\$ 874,307

#### YANKTON SCHOOL DISTRICT NO. 63-3 STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2016

		Business-Type Activiti	es	Governmental Activities
	Major Fund Food Service	Non Major Funds Other Enterprise		Internal Service
ASSETS	Fund	Funds	Total	Funds
Current Assets:				
Cash and Cash Equivalents	\$ 496,547	\$ 85,347	\$ 581,894	\$ 5,328,152
Due from Other Funds	853	•	853	-
Due from Federal Governments	21,268	-	21,268	-
Inventory of Supplies	2,576	1,716	4,292	-
Inventory of Stores Purchased for Resale	30,218	-	30,218	
Inventory of Donated Food	3,731	-	3,731	-
Prepaid Expenses	18,871	1,483	20,354	
Total Current Assets	574,064	88,546	662,610	5,328,152
Noncurrent Assets:				
Net Pension Asset	112,163	23,136	135,299	-
Capital Assets:				
Machinery and Equipment	347,950	-	347,950	-
Less: Accumulated Depreciation	(291,278)		(291,278)	
Total Noncurrent Assets	168,835	23,136	191,971	
Total Assets	742,899	111,682	854,581	5,328,152
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows	209,931	44,063	253,994	-
Total Deferred Outflows of Resources	209,931	44,063	253,994	
LIABILITIES				
Current Liabilities:				
Accounts Payable	13,045	-	13,045	44,118
Contracts Payable	5,477	13,303	18,780	-
Sales Tax Payable	131	-	131	•
Incurred But Not Reported Claims	-	-	-	325,975
Payroll Deductions and Withholdings and				
Employer Matching Payable	18,247	3,307	21,554	-
Due to Other Funds	19,557	-	19,557	-
Unearned Revenue	38,738	40.040	38,738	270.000
Total Current Liabilities	95,195	16,610	111,805	370,093
Long-Term Liabilities				
Net OPEB Obligation Payable		<u> </u>		678,773
Total Long-Term Liabilities		· <del></del>		678,773
Total Liabilities	95,195	16,610	111,805	1,048,866
DEFERRED INFLOWS OF RESOURCES				
Pension Related Deferred Inflows	165,499	34,137	199,636	_
Total Deferred Inflows of Resources	165,499	34,137	199,636	
NET POSITION				
Investment in Capital Assets	56,672	-	56,672	-
Restricted for:	,		, –	
SDRS Pension Purposes	156,595	33,062	189,657	<u>.</u>
Unrestricted	478,869	71,936	550,805	4,279,286
Total Net Position	\$ 692,136	\$ 104,998	\$ 797,134	\$ 4,279,286

#### YANKTON SCHOOL DISTRICT NO. 63-3 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	Business-Type Activities					Governmental Activities		
	Major Fund Food Service Fund			Major Funds er Enterprise Funds		Total	Internal Service Funds	
Operating Revenues:	<u>·</u>	una		T dildo		10.01		, unuo
Sales:								
Student	\$	787,451	\$	71,992	\$	859,443	\$	-
Adult		17,012		-		17,012		-
A la Carte		6,602		-		6,602		-
Other Charges for Goods & Services		13,598		85,635		99,233		<del>.</del>
Self Insurance Premiums		-		-		-		2,339,246
Stop Loss Insurance Claims								180,540
Total Operating Revenues		824,663		157,627		982,290		2,519,786
Operating Expenses:								
Salaries		520,062		129,206		649,268		-
Employee Benefits		157,261		27,384		184,645		-
Purchased Services		38,560		542		39,102		-
Supplies		86,815		68,009		154,824		-
Cost of Sales - Purchased Food		703,789				703,789		-
Cost of Sales - Donated Food		140,876		-		140,876		-
Depreciation		11,582		-		11,582		-
Self Insurance Claims		· -		-				2,322,857
Self Insurance Administrative Costs		-		-		-		485,129
Health Insurance Membership		<u> </u>						8,260
Total Operating Expenses		1,658,945		225,141		1,884,086		2,816,246
Operating (Loss)		(834,282)		(67,514)		(901,796)		(296,460)
Nonoperating Revenue:								
Local Sources:								
Earnings on Investments and Deposits		2,113		470		2,583		24,328
Miscellaneous Revenue from Other Sources		-		1,729		1,729		-
State Sources:								
Cash Reimbursements		10,417		-		10,417		-
Federal Sources:								
Cash Reimbursements		669,128		-		669,128		-
Donated Food		164,045				164,045		
Total Nonoperating Revenue	,	845,703		2,199		847,902		24,328
Income (Loss) Before Transfers & Contributions		11,421		(65,315)		(53,894)		(272,132)
Transfers In				75,000		75,000		
Change in Net Position		11,421		9,685		21,106		(272,132)
Net Position - Beginning		680,715		95,313		776,028		4,551,418
Net Position- Ending	\$	692,136	\$	104,998	\$	797,134	\$	4,279,286

### YANKTON SCHOOL DISTRICT NO. 63-3 STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2016

		Business-Type Activ	ities	Governmental Activities
	Major Fund Food Service Fund	Non Major Funds Other Enterprise Funds	Total	Internal Service Funds
Cash Flows from Operating Activities:	-			
Cash Receipts from Customers	\$ 844,960	\$ 157,627	\$ 1,002,587	\$ -
Cash Receipts from Interfund Services Provided	_	-	-	2,400,477
Other Cash Receipts	-	1,729	1,729	-
Cash Payments to Suppliers of Goods and Services	(792,871)	(68,922)	(861,793)	(570,101)
Cash Payments to Employees for Services	(698,030)	(158,910)	(856,940)	-
Cash Payments for Interfund Services Used	-			(2,422,929)
Net Cash (Used) by Operating Activities	(645,941)	(68,476)	(714,417)	(592,553)
Cash Flows from Noncapital Financing Activities:				
Transfers from Other Fund	-	75,000	75,000	-
Operating Grants	673,970		673,970	
Net Cash Provided by Noncapital Financing Activities	673,970	75,000	748,970	
Cash Flows from Investing Activities:  Cash Received for Interest	2,113	470	2 583	24,328
Cash Received for interest	2,113	470	2,583	24,328
Net Cash Provided by Investing Activities	2,113	470	2,583	24,328
Net Increase (Decrease) in Cash and Cash Equivalents	30,142	6,994	37,136	(568,225)
Cash and Cash Equivalents at Beginning of Year	466,405	78,353	544,758	5,896,377
Cash and Cash Equivalents at End of Year	496,547	85,347	581,894	5,328,152
RECONCILIATION OF OPERATING (LOSS) TO NET				
CASH (USED) BY OPERATING ACTIVITIES:				
Operating (Loss)	(834,282)	(67,514)	(901,796)	(296,460)
Adjustments to Reconcile Operating (Loss) to				
Net Cash (Used) by Operating Activities:				
Depreciation Expense	11,582	-	11,582	-
Miscellaneous Revenue	-	1,729	1,729	-
Value of Donated Commodities Used	184,610	-	184,610	-
Change in Assets and Liabilities:				
Accounts and Other Receivables	17,967	-	17,967	-
Inventories	21,247	-	21,247	-
Prepaid Expenses	(7,653)	(371)	(8,024)	-
Accounts and Other Payables	(18,703)	-	(18,703)	(296,093)
Accrued Wages and Benefits Payable	(1,241)	1,093	(148)	-
Net Pension Asset	76,269	17,606	93,875	-
Deferred Outflows - Pensions	(42,999)	(7,970)	(50,969)	-
Deferred Inflows - Pensions	(52,738)	(13,049)	(65,787)	
Net Cash (Used) by Operating Activities	(645,941)	(68,476)	(714,417)	(592,553)
Noncash Investing, Capital and Financing Activities:				
Value of Commodities Received	164,045	-	164,045	-
Total Noncash Investing, Capital and Financing Activities	\$ 164,045	\$ -	\$ 164,045	\$ -
Total Noncash Investing, Capital and Financing Activities	\$ 164,045	\$ -	\$ 164,045	\$

#### YANKTON SCHOOL DISTRICT NO. 63-3 STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2016

	Private-Purpose Trust Fund	Agency Funds		
ASSETS: Cash and Cash Equivalents Accounts Receivable, Net Investments, at Fair Value	\$ 209,086 - - 7,434	\$ 105,144 458		
Total Assets	216,520	105,602		
LIABILITIES: Amounts Held for Others		105,602		
Total Liabilities		105,602		
NET POSITION  Held in Trust for Scholarships	\$ 216,520	\$		

#### YANKTON SCHOOL DISTRICT NO. 63-3 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	Private-Purpose Trust Fund
ADDITIONS: Contributions and Donations Interest and Dividend Income	\$ 15,507 2,140
Total Additions	17,647
<b>DEDUCTIONS:</b> Trust Deductions for Scholarships Other Deductions	40,410 1,690
Total Deductions	42,100
Change in Net Position	(24,453)
Net Position - Beginning	240,973
Net Position - Ending	\$ 216,520

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a. Reporting Entity

For financial reporting purposes, Yankton School District No. 63-3 has included all funds, organizations, agencies, boards, commissions, and authorities. The Yankton School District (District) has adopted the position of the Governmental Accounting Standards Board (GASB), regarding the definition of the "reporting entity". In evaluating the District as a reporting entity, management has addressed all potential component units for which the District may be financially accountable and, as such, should be included within the District's financial statements. The District is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden on the District. The District has considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete.

#### b. Basis of Presentation, Basis of Accounting

The accounting policies of the School District conform to U.S. generally accepted accounting principles (GAAP) as applicable to governments.

#### **Basis of Presentation**

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the School District). These statements include the financial activities of the overall government, except for fiduciary activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements but inter-fund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the School District.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

The Statement of Net Position reports all financial and capital resources, in a net position form (assets plus deferred outflows of resources) minus (liabilities plus deferred inflows of resources) equals net position. Net position as displayed in three components, net investment in capital assets, restricted (distinguishing between major categories of restrictions), and unrestricted.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. GASB No. 34 sets forth minimum criteria for the determination of major funds.

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Descriptions of all the funds of the financial reporting entity are provided below:

Governmental Funds

<u>General Fund</u> – A fund established by South Dakota Codified Laws (SDCL) 13-16-3 to meet all the general operational costs of the school district, excluding capital outlay fund and special education fund expenditures. This fund has a legally adopted budget. The General Fund is always a major fund.

<u>Special Revenue Funds</u> – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Outlay Fund – A fund established by SDCL 13-16-6 to meet expenditures which result in the lease of, acquisition of or additions to real property, plant or equipment, textbooks, and instructional software. This fund is financed by property taxes. This fund has a legally adopted budget. This is a major fund.

Special Education Fund – A fund established by SDCL 13-37-16 to pay the costs for the special education of all children in need of special assistance and prolonged assistance who reside within the District. This fund is financed by grants and property taxes. This fund has a legally adopted budget. This is a major fund.

Pension Fund – A fund established by SDCL 13-10-6 for the purpose of paying pensions to retired employees of school district, which have established such systems, paying the District's share of retirement plan contributions, and for funding early retirement benefits to qualifying employees. This fund is financed by property taxes. This fund has a legally adopted budget. This is not a major fund.

#### Proprietary Funds

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Proprietary fund operating expenses, such as cost of sales, salaries, supplies and depreciation, result from providing services and producing and delivering goods in connection with the principal activity of the fund.

<u>Enterprise Funds</u> — Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Food Service Fund – A fund used to record financial transactions related to food service operations. This fund is financed by user charges and grants. This is a major fund.

Preschool Fund – A fund used to record financial transactions related to preschool operations. This fund is financed by user charges and District transfers. This is not a major fund.

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concessions Fund - A fund used to record financial transaction related to concession operations. This fund is financed by user charges. This is not a major fund.

<u>Internal Service Funds</u> — Internal service funds are established to account for financing of goods and services provided by one department to other departments of the District on a cost reimbursement basis. Internal Service Funds are never considered to be major funds.

Unemployment Insurance Fund - A fund used to account for unemployment claims incurred by the School District.

Health Insurance Fund - A fund used to account for employee health insurance premiums, administration, and claims incurred by School District employees.

#### Fiduciary Fund

Fiduciary Fund is used to account for assets held by the District in an agency or custodial capacity for others and, therefore, are not available to support District functions. Fiduciary Fund is never considered to be major fund and typically use the economic resources measurement focus concept of accounting. Since agency fund is custodial in nature, they have no measurement focus and are not incorporated into the government-wide financial statements

<u>Private-Purpose Trust Funds</u> — Private-purpose trust fund is used to account for all other trust agreements under which principal and income benefit individuals, private organizations, or other governments. Currently, the District maintains twenty-two scholarships accounted for as private-purpose trust fund. Nineteen scholarships allow the principal and earnings to be spent, while three scholarships only allow the earnings to be used.

<u>Agency Funds</u> — Agency funds are used to account for resources held by the District in a purely custodial capacity (assets equal liabilities). Since agency funds are custodial in nature they do not involve the measurement of results of operations. The District maintains forty-two agency accounts to hold assets as an agent in a trustee capacity for various clubs, classes and councils.

#### **Basis of Accounting**

Basis of Accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds also are reported using the economic resources measurement focus, except the agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, the governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers significant revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. The exception to this would be for receivables derived from reimbursement grant arrangements where the revenue would be recognized in the same period as the expenditure. Property tax, intergovernmental revenues (shared revenues, grants, and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related liability is incurred. except for principal and interest on general long-term debt, claims and judgments, special termination benefits, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

#### c. Deposits and Investments

The school follows the practice of pooling the cash assets of various funds to maximize cash management efficiency and returns with the exception of the Food Service Fund and Internal Service Funds which maintain separate bank accounts and do not pool its cash assets. For the purposes of the Statement of Cash Flows, all short-term cash investments with a term to maturity of three months or less when purchased that are highly liquid are considered to be cash equivalents. State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The District's policy is to credit all income from deposits and investments to the fund making the deposit or investment. Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below:

Deposits - The school deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 13-16-15, 13-16-15.1 and 13-16-18.1. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by federal home loan banks accompanied by written evidence of that bank's public debt rating which may not be less than "AA" or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota. Deposits are reported at cost basis, which is approximate to fair value.

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The cash and cash equivalents (excluding fiduciary funds) of Yankton School District No. 63-3 at June 30, 2016 include the following:

Cash and Cash Equivalents: Cash on Hand			\$	6.905
General Fund	\$	6.905	Ψ	0,000
Deposits in Bank	•	-,		5,824,699
Food Service Fund		496,547		. ,
Internal Service Funds	5	,328,152		
Pooled Cash and Cash Equivalents:				
Deposits in Bank				11,398,626
General Fund	7	,567,718		
Capital Outlay Fund	2	,406,169		
Special Education Fund	1	,312,519		
Preschool Fund		75,049		
Concessions		10,298		
Pension Fund		26,873		
Total Cash and Cash Equivalents			\$	17,230,230

Investments - In general, SDCL 4-5-6 permits school funds to be invested in (a) securities of the United States and securities guaranteed by the United States government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a); or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) and repurchase agreements described in (b). Also, SDCL 4-5-9 requires that investments shall be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

Credit Risk—State law limits eligible investments for the School District, as discussed above. The School District has no investment policy that would further limit its investment choices.

Interest Rate Risk—The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investments on the statement of fiduciary net position consist of a closed-end mutual fund, as requested by the donor, held in a trustee capacity for private-purpose trust fund scholarship purposes stated at fair value of \$7,434, per quoted market price. As of June 30, 2016, the majority of investments inside the mutual fund were rated A or Baa by Standard & Poor's or by Moody's Investors Service. The District is exposed to custodial credit risk on this entire investment because it is uninsured and uncollateralized. The recurring fair value measurement for the mutual fund was determined using the last reported sales price at current exchange rates (level 1 inputs).

The School District uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The School District had no other investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### d. Inventory

Inventory is valued at cost. The cost valuation method is based on first-in, first-out. Donated commodities are valued at estimated fair value based on the U.S. Department of Agriculture price list at date of receipt.

In the government-wide and proprietary fund financial statements, inventory items are initially recorded as assets and charged to expense in the various functions or expenses of government as they are consumed.

In the governmental fund financial statements, inventories in the General Fund consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed (consumption method). In the fund financial statements, the General Fund inventories are equally offset as nonspendable fund balance, which indicates that they do not constitute "available spendable resources" even though they are a component of net current position.

#### e. Prepaids

In the fund financial statements, prepaids in the General Fund, Capital Outlay Fund, Special Education Fund, School Food Service Fund, and Preschool Fund consist of prepaid workmen compensation. The cost is recorded as an expenditure at the time the expense is incurred. In the fund financial statements, prepaids are equally offset as nonspendable fund balance, which indicates that they do not constitute "available spendable resources" even though they are a component of net current position.

#### f. Capital Assets

Capital assets include land, buildings, machinery and equipment, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

The accounting treatment of capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements – All capital assets are valued at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities, with net capital assets reflected in the Statement of Net Position. The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is set at \$5,000 and the depreciation method is straight-line, full year deprecation in the year of purchase. The estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

	Estimated Useful Life
Land	-
Land Improvements	20
Buildings and Improvements	7-50
Technology Equipment	5
Vehicles	8-10
General Equipment	10-20

Land, an inexhaustible capital asset, is not depreciated.

Fund Financial Statements – In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for on the accrual basis, the same as in the government-wide statements.

#### g. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension revenue, information about the fiduciary net position of the South Dakota Retirement System (SDRS) and additions to/deletions from SDRS's fiduciary net position have been determined on the same basis as they are reported by SDRS. School District contributions and net pension asset are recognized on an accrual basis of accounting.

#### h. Accumulated Unpaid Vacation and Sick Pay

Vacation and sick leave benefits are earned by employees as defined in the Master Teacher Contract and the Classified/Classified Professionals Employee Handbooks. Upon separation of employment, employees who are eligible for vacation benefits are entitled to compensation for unused vacation leave at their respective rate of pay.

Sick leave is awarded to salaried employees at the start of the contract year. Eligible hourly employees accrue sick leave at a rate of 0.06 hours per regular hour worked during the year with a maximum annual accrual of 72, 80, or 96 hours, according to the length of their work year. Salaried employees may accumulate up to a maximum of 150 days of paid sick leave. Hourly employees may accumulate up to 320 hours of paid sick leave. There is no compensation paid to any employee for unused sick leave upon separation of employment.

Therefore, a liability is recorded in the government-wide financial statements only for accumulated unpaid vacation benefits. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2016. The compensated absences liability attributable to the governmental activities will be paid by the General Fund.

#### i. Unearned Revenues

Unearned revenues reported in the Statement of Net Position consists of revenues received for school lunch, but remain unused as of June 30, 2016, and July's land rent payment received in June for the cellular tower at the middle school.

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### j. Long-Term Liabilities

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities consist of capital outlay certificates payable, general obligation bonds payable, early retirement benefit payable, compensated absences payable and net other post employment benefit (OPEB) obligation payable.

Long-term liabilities for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as revenues and payment of principle and early retirement benefits are reported as expenditures. The accounting for proprietary fund is on the accrual basis, the same in the fund statement as it is in the government-wide statements.

#### k. Deferred Outflow/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense / expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

In addition to liabilities, the statement of position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of taxes, that qualify for reporting in this category. The governmental activities in the government-wide statements and governmental funds report unavailable revenues from two sources: property taxes and pension related revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reconciliation of Deferred Inflows of Resources by Fund Governmental Funds General Fund	
Unavailable Resources - Taxes Levied for a Future Period Unavailable Resources - Delinquent Property Taxes Capital Outlay Fund	\$ 2,935,466 73,269
Unavailable Resources - Taxes Levied for a Future Period Unavailable Resources - Delinquent Property Taxes Special Education Fund	1,731,642 12,518
Unavailable Resources - Taxes Levied for a Future Period Unavailable Resources - Delinquent Property Taxes Pension Fund	812,023 7,412
Unavailable Resources - Taxes Levied for a Future Period Unavailable Resources - Delinquent Property Taxes	 173,164 1,153
Total Governmental Funds	 5,746,647
Governmental-Wide Reconciliation of Deferred Inflows of Resources Governmental Activities	
Property Taxes Intended to Finance Next Fiscal Year Pension Related Deferred Outflows	\$ 5,652,295 4,121,493
r ension Neiated Deferred Oddilows	\$ 9,773,788

#### I. Application of Net Position

It is the Districts' policy to first use restricted net position, prior to the use of unrestricted net position, when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

#### m. Program Revenues

In the government-wide Statement of Activities, reported program revenues derive directly from the program itself or from parties other than the District's taxpayers or citizenry, as a whole. Program revenues are classified into three categories, as follows:

Charge for services – These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.

Program-specific operating grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.

Program-specific capital grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### n. Equity Classifications

Government-Wide Statements – Equity is classified as net position and is displayed in three components.

Net Investment In Capital Assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Net Investment In Capital Assets as of June 30, 2016 is as follows:

	Governmental <u>Activities</u>		ness-Type tivities
Land & Construction in Progress	\$ 714,443		-
Other Capital Assets, Net of Depreciation	32,639,463		56,672
Less: SD Energy Efficiency Loan	(800,000)		_
Less: Capital Outlay Certificates	(3,335,000)		-
	\$ 29,218,906	\$ 5	56,672

Restricted net position – Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

Restricted net position as of June 30, 2016 is as follows:

<u>Purpose</u>	Restricted By:
Capital Outlay	Law
Special Education	Law
Pension	Law

Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Statements—Equity is classified as fund balance and is displayed as follows:

Nonspendable—Consists of amounts that cannot be spend because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted—Consists of amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors, or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed—Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year end.

Assigned—Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Superintendent.

Unassigned—All amounts not included in other classifications.

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District has adopted a spending priority that restricted amounts are spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and amounts are to be considered spent as follows: (1) committed, (2) assigned and (3) unassigned when an expenditure is incurred for purposes for which amounts in any of those unrestricted funds balance classifications could be used.

#### o. Inter-fund Eliminations and Reclassifications

Government-wide Financial Statements:

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified, as follows:

- In order to minimize the grossing-up effect on assets and liabilities within the governmental and business-type activities columns of the primary government, amounts reported as interfund receivables and payables have been eliminated in the governmental and business-type activities columns, except for the net, residual amounts due between governmental and business-type activities, which are presented as Internal Balances.
- 2. In order to minimize the doubling-up effect on internal service fund activity, certain "centralized expenses" including an administrative overhead component, are charged as direct expenses to funds or programs in order to show all expenses that are associated with a service, program, department, or fund. When expenses are charged, in the manner, expenses reductions occur in the Internal Service Fund, so that expenses are reported only in the function to which they are related.

#### p. Proprietary Funds Revenue and Expense Classifications

In the proprietary fund's Statement of Activities, revenues and expenses are classified in a manner consistent with how they are classified in the Statement of Cash Flows. That is, transactions for which related cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities are not reported as components of operating revenues or expenses.

#### NOTE 2 PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on or before October 1 and payable in two installments on or before April 30 and October 31 of the following year. The county bills and collects the School District's taxes and remits them to the School District.

In the government-wide financial statements, the District's property tax revenue is recognized in the period for which the levy is made. Also, in the government-wide financial statements, the portion of current year property tax receivable to be used in the succeeding fiscal year has been reported as deferred revenue.

In the fund financial statements, the District's property tax revenues are recognized to the extent that they are used to finance each year's appropriations. Also, in the fund financial statements, current year property taxes receivable, which are not available as a resource that can be used to finance the current year's appropriations and therefore are not susceptible to accrual, have been recorded as deferred revenue and are not reported as current revenue.

#### NOTE 3 ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS

The receivables are comprised of the following as of June 30, 2016:

Accounts Receivable, Net: Insurance Flex Plan Booster Club Team Meals E-Rate Bear Reimbursement Other	\$	25,000 2,307 37,800 5,155
	\$_	70,262
Due From Other Governments:	•	100 044
Title I	\$	180,311
Title II, Part A		80,515
Special Education, IDEA, Part B, Sec. 611		267,086
Summit Activities Center Reimbursement		46,364
Fresh Fruits and Vegetables Program		21,268
Special Education, IDEA, Sec. 619		1,776
Utility Tax Receivable		146,114
Telephone Gross Receipts		174,797
County Apportionment-Fines, Penalties & Interest		71,486
•	\$	989,717

#### NOTE 4 DUE TO/FROM OTHER FUNDS

Fund Due To	Fund Due From	<u>Amount</u>		
General Fund	School Lunch Fund	\$ 19,557		
Special Education Fund School Lunch Fund	Capital Outlay General Fund	1,879 853		

These balances were the result of expenditures paid out of an incorrect fund. The interfund receivables and payables were set up to reimburse the appropriate funds.

#### NOTE 5 INDIVIDUAL FUND INTERFUND TRANSACTIONS

During the year ended June 30, 2016, a transfer of \$75,000 was made to the Preschool Fund from the General Fund. It was used to partially fund the Preschool Fund for fiscal year 2016.

#### NOTE 6 CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2016, is as follows:

PRIMARY GOVERNMENT				
	Balance		<b>.</b>	Balance
Governmental Activities:	7/1/2015	Additions	Retirements	6/30/2016
Capital Assets (not being depreciated):				
Land	\$ 714,443	<u> </u>	<u>\$</u> _	<b>\$</b> 714,443
Total Capital Assets				
(not being depreciated)	714,443			714,443
Capital Assets (being depreciated):				
Buildings	46,833,688	82,357	-	46,916,045
Improvements other than Buildings	4,427,856	647,561	(136,665)	4,938,752
Equipment	8,399,437			8,399,437
	59,660,981	729,918	(136,665)	60,254,234
Accumulated Depreciation:				
Buildings	(17,881,801)	(899,407)	-	(18,781,208)
Improvements Other than Buildings	(2,967,249)	(174,576)	-	(3,141,825)
Equipment	(5,241,416)	(586,987)	136,665_	(5,691,738)
	(26,090,466)	(1,660,970)	136,665_	(27,614,771)
Net of Depreciation	33,570,515	(931,052)		32,639,463
Total All Capital Assets, Net of Depreciation	\$34,284,958	\$ (931,052)		\$33,353,906

Depreciation Expense was charged to governmental activities as follows:

Instruction	\$ 1,083,441
Support Services	464,054
Co-Curricular	113,475
Total Depreciation Expense—Governmental Activities	\$ 1,660,970

Business-type Activities:	_	Balance /1/2015	Addit	ions	Retirer	ments	_	alance 30/2016
Other Capital Assets (being depreciated): Equipment	\$	347.950	\$	_	\$	_	\$	347.950
Accumulated Depreciation:	Ψ	,	•	4.500\	Ψ		Ψ	,
Equipment Total Other Capital Assets,		(279,696)	(1	1,582)_			(	(291,278)
Net of Depreciation	\$	68,254	<u>\$</u> (1	1,582)	\$		\$	56,672

Depreciation Expense was charged to the business-type activity as follows:

Food Service \$ 11,582

#### NOTE 7 OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN

A teacher or administrator hired before January 1, 2007, who retires from the District on or after the age of 55 and with at least 15 years of consecutive service with the District may be eligible for retiree health insurance coverage. Coverage ceases when the retiree attains the age of 65. The retiree is responsible for 100% of the full active premium rates for either single or family coverage. These benefits are offered under the provisions of SDCL 6-1-16. The postemployment benefit plan is a single-employer defined benefit plan.

The health plan is a self insured PPO providing benefits to eligible participants. Currently, there are 245 active participants and 18 retirees who are participating in the plan. The health plan does not issue separately stated stand-alone financial statements.

For fiscal year 2016, the District's annual OPEB cost for the retiree health insurance was \$98,706. The District's annual OPEB cost, the percentage of annual OPEB costs contributed, and the net OPEB obligation for the year ended June 30, 2016, were as follows:

Annual Required Contribution	\$ 107,176
Interest on Net OPEB Obligation	35,429
Adjustment to Annual Required Contribution	(43,899)
Annual OPEB Cost	98,706
Contributions Made	(113,608)
Change in net OPEB obligation	(14,902)
Net OPEB obligation-beginning of year	693,675
Net OPEB obligation-end of year	\$ 678,773

Year	Annual OPEB	Actual Employer	Percentage	Net Ending
_Ended	Cost	Contributions	Contributed	OPEB Obligation
6/30/12	\$ 86,173	\$ -	0.00%	\$718,251
6/30/13	65,708	44,360	67.51%	739,599
6/30/14	65,452	96,474	147.39%	708,577
6/30/15	98,706	113,608	115.10%	693,675
6/30/16	98,706	113,608	115.10%	678,773

The funded status of the benefit based on an actuarial update using age-adjusted premiums as of July 1, 2014, was as follows:

Actuarial Present Value of Future Benefits	\$ 1,467,781
Actuarial Accrued Liability Actuarial Value of Benefit Assets Unfunded Actuarial Accrued Liability	1,168,640 - \$ 1,168,640
Funded Ratio	0.0%
Covered Payroll	\$ 10,783,906
Unfunded Actuarial Accrued Liability as a percentage of Covered Payroll	10.8%

#### NOTE 7 OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the District's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term prospective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, will present multiyear trend information that shows whether the actuarial value of benefit assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Fiscal year 2007 was the year of implementation of GASB Statement Nos. 43 and 45 and the District elected to apply the statement prospectively.

The District's agreement with retired employees is for single or family health insurance coverage and the retiree is responsible for 100% of the full active premium rates. For fiscal year 2016, the rates were \$504 per month for single coverage, \$1,033 per month for employee and spouse, \$955 per month for employee and children, and \$1,548 per month for family coverage. The contribution requirements of the covered retirees are established and may be amended by the School Board. The District has retained the right to unilaterally modify its payments toward retiree health care benefits. There is no direct District subsidy for retiree health insurance coverage.

The District charges both active employees and retirees an equal, blended premium rate for single or family coverage. Although both groups are charged the same rate, GAAP require the actuarial amounts to be calculated using age adjusted premiums that approximate costs for retirees separately from those for active employees. The use of age adjusted premiums results in the inclusion of an implicit rate subsidy in the actuarial accrued liability.

The District's contributions are financed on a pay as you go basis and the District does not contribute towards these benefits based on a percentage of covered payroll. The calculation is based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

The entry age normal actuarial cost method was used to determine the annual required contribution. The actuarial value of assets is equal to the fair value of the assets. The actuarial assumptions included a 5% investment rate of return. Both the rate of return and the healthcare cost trend rate include an assumed inflation rate of 3%. The health care cost trend rates are as follows:

Fiscal	Claims	Expense
Year	Rate	Rate
2016	7.5%	5.0%
2017	7.0%	5.0%
2018	6.5%	5.0%
Thereafter	6.0%	5.0%

The unfunded accrued liability is being amortized as a level dollar amount on an open basis over a period of 30 years.

#### NOTE 8 LONG-TERM LIABILITIES

#### LONG TERM DEBT

A summary of changes in long-term debt follows:

#### **PRIMARY GOVERNMENT**

Governmental Activities:	Capital Outlay ertificates	En	State ergy Loan		Total
Debt Payable at July 1, 2015	\$ 3,985,000	\$	1,000,000	\$ -	4,985,000
Less: Retirements	(650,000)		(200,000)		(850,000)
Debt Payable at June 30, 2016	\$ 3,335,000	\$	800,000	\$ -	4,135,000
Due Within One Year	\$ 650,000	\$	200,000	\$	850,000

#### **Capital Outlay Certificates**

2012 Refunding Series (Crossover Partial Advance Refunding)

On February 29, 2012, the District issued \$4,055,000 of crossover refunding capital outlay certificates to retire the 2009 Series Capital Outlay Certificates. The 2009 Series Capital Outlay Certificates were called on December 15, 2014. The 2012 refunding certificates, bear interest at carrying rates from 0.450% to 1.750% and are payable on the 15<sup>th</sup> day of December and June each year until maturity. The interest rates are fixed at different levels depending on the length of maturity of the individual certificates.

The summary of debt service requirements to amortize debt outstanding as of June 30, 2016, including interest of \$122,663, are as follows:

#### 2012 Refunding Series Capital Outlay Certificates

Fiscal Year	Interest Rate	Principal	Interest	Total
2017	0.80%	\$ 650,000	\$ 39,625	\$ 689,625
2018	1.00%	660,000	33,725	693,725
2019	1.25%	665,000	26,269	691,269
2020	1.75%	675,000	17,050	692,050
2021	1.50%	685,000	5,994	690,994
Total		\$3,335,000	\$122,663	\$3,457,663

#### **Crossover Refunding**

During the year ended June 30, 2012, the District issued \$4,055,000 of crossover refunding capital outlay certificates (2012 refunding series) to refund capital outlay certificates (2009 refunding series). The refunding certificates were issued on February 29, 2012 and their proceeds were placed into an escrow account. This escrow account held restricted investments of U.S. Treasury Notes. Unlike other types of advance refundings, the escrow account was a crossover refunding transaction and was not immediately dedicated to debt service principal and interest payments on the refunded certificates (2009 series capital outlay certificates).

#### NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Instead, the resources in the escrow account were used temporarily to meet debt service requirements on the refunding debt (2012 refunding series capital outlay certificates) themselves. At the crossover date, February 1, 2014, the resources in the escrow account were dedicated exclusively to the payment of principal and interest on the refunded debt (2009 series capital outlay certificates). Crossover refundings do not result in the defeasance of debt prior to the crossover date because they do not meet the requirement that assets be placed in irrevocable escrow to be used solely for satisfying scheduled payments of both interest and principal of defeased debt. This crossover refunding was undertaken to reduce total debt service payments over the next 9 years by \$210,344 and to obtain an economic gain (difference between the present value of debt service payments of the refunded and refunding certificates) of \$196,092.

#### South Dakota Energy Efficiency Loan

In 2015, the District entered into a five-year interest free loan agreement with the South Dakota Energy Management Office in the amount of \$1,000,000. The District is required to pay back the loan in annual payments of \$200,000 starting July 31, 2015. The proceeds of the loan are to be used to assist in financing costs related to energy efficiency upgrades throughout the District.

The summary of debt service requirements to amortize debt outstanding as of June 30, 2016 are as follows:

	Р	rincipal
2017	\$	200,000
2018		200,000
2019		200,000
2020		200,000
	-\$	800,000

#### **OTHER LONG-TERM LIABILITIES**

A summary of changes in other long-term liabilities follows:

#### **PRIMARY GOVERNMENT**

Governmental Activities:	Early Retirement	Compensated	Net OPEB
	Benefits	Absences	Obligation
Payable at July 1, 2015	\$ 111,444	\$ -	\$ 693,675
Additions	80,550	94,531	-
Reductions	(111,444)	(60,604)	(14,902)
Payable at June 30, 2016	\$ 80,550	\$ 33,927	\$ 678,773
Amount Due Within One Year	\$ 80,550	\$ 6,785	\$ -

The early retirement benefits payable attributable to the governmental activities will be paid by the general fund and currently affects four covered individuals. The net OPEB obligation payable attributable to the governmental activities will be paid by the health insurance internal service fund. He compensated absences liability attributable to the governmental activities will be paid by the general fund. The compensated absences liability attributable to the governmental activities will be paid by the general fund.

#### NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Employees who qualify may apply for early retirement. If approved by the District, the early retirement liability is 75% of the most recent contracted salary and is usually payable within one year of signing the contract; therefore, the liability is recorded using the current cost method based on the signed contract which is equivalent to its present value.

The methods and assumptions used to determine the net OPEB obligation are explained more fully in Note 7.

#### **Changes in Long-Term Liabilities**

The following summarizes long-term liabilities activity of the primary government for the year ended June 30, 2016:

	Beginning Balance	Addi	itions	Redi	uctions	Ending Balance	Due Within One Year
Governmental ctivities:							
2012 Capital Outlay							
Certificates	\$3,985,000	\$	-	\$	650,000	\$3,335,000	\$650,000
South Dakota Energy							
Efficiency Loan	1,000,000		_		200,000	800,000	200,000
Early Retirement Benefits	111,444		80,550		111,444	80,550	80,550
Compensated Absences	-		94,531		(60,604)	33,927	6,785
Net OPEB Obligation	693,675		_		14,902	678,773	-
Governmental Activities					****		
Long-Term Liabilities	\$5,790,119	\$	175,081	\$	915,742	\$4,928,250	\$937,335

#### NOTE 9 LEASES

The School is currently leasing the following equipment under operating leases:

Description	Fund	Term
Copier	Capital Outlay	6/01/15 to 5/01/20
Copier	Capital Outlay	4/15/16 to 3/15/20

The following are the future minimum payments on existing operating leases:

Year Ending June 30:	Capital Outlay Fund
2017	\$ 36.048
2018	36,048
2019	36,048
2020	28,636

The school also leases other equipment under operating leases with terms of one year or less. Total lease expense for all funds combined for the year ended June 30, 2016, was \$58,135.

#### NOTE 10 PENSION PLAN

#### Plan Information:

All employees, working more than 20 hours per week during the school year, participate in the South Dakota Retirement System (SDRS), a cost sharing, multiple employer defined benefit pension plan administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement,

#### NOTE 10 **PENSION PLAN (CONTINUED)**

disability, and survivors benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at http://www.sdrs.sd.gov/publications/ or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

#### Benefits Provided:

SDRS has three different classes of employees, Class A, Class B public safety and Class B judicial. Class A retirement benefits are determined as 1.7 percent prior to 2008 and 1.55 percent thereafter of the employee's final 3-year average compensation times the employee's years of service. Employees with 3 years of service are eligible to retire at age 55. Class B public safety benefits are determined as 2.4 percent for service prior to 2008 and 2.0 percent thereafter of employee final average compensation. Class B judicial benefits are determined as 3.733 percent for service prior to 2008 and 3.333 percent thereafter of employee final average compensation. All Class B employees with 3 years of service are eligible to retire at age 45. Employees are eligible for service-related disability benefits regardless of length of service. Three years of service is required for nonservicerelated disability eligibility. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a percent of the employee's final average salary.

The annual increase in the amount of the SDRS benefits payable on each July 1st is indexed to the consumer price index (CPI) based on SDRS funded status:

- If the SDRS market value funded ratio is 100% or more 3.1% COLA
- If the SDRS market value funded ratio is 80.0% to 99.9%, index with the CPI
  - 90.0% to 99.9% funded 2.1% minimum and 2.8% maximum COLA 80.0% to 90.0% funded 2.1% minimum and 2.4% maximum COLA
- If the SDRS market value funded ratio is less than 80% -- 2.1% COLA

All benefits except those depending on the Member's Accumulated Contributions are annually increased by the Cost-of-Living Adjustment.

#### Contributions:

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make an additional contribution in the amount of 6.2 percent for any compensation exceeding the maximum taxable amount for social security for general employees only. The School District's share of contributions to the SDRS for the fiscal years ended June 30, 2016, 2015, and 2014 were \$783,168, \$756,379, and \$741,678, respectively, equal to the required contributions each year.

#### NOTE 10 PENSION PLAN (CONTINUED)

<u>Pension Liabilities (Assets), Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions:</u>

At June 30, 2015, SDRS is 104.1% funded and, accordingly, has a net pension asset. The proportionate shares of the components of the net pension asset of South Dakota Retirement System, for the School District as of June 30, 2016 are as follows:

Proportionate share of net position restricted for pension benefits	\$ 74,410,456
Less: proportionate share of total pension liability	71,481,908
Proportionate share of net pension asset	\$ (2,928,548)

At June 30 2016, the School District reported an asset of \$2,928,548 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015 and the total pension asset used to calculate the net pension asset was based on a projection of the School's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2015, the School District's proportion was 0.69048600%.

For the year ended June 30, 2016, the School District recognized pension expense of \$334,978 before deferral of current year payments made to SDRS. At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources		Deferred Inflows Of Resources	
Difference between expected and actual experience	\$	599,634	\$	-
Changes in assumption		2,322,155		-
Net Difference between projected and actual earnings on pension plan investments		1,789,000		4,321,129
Changes in proportion and difference between School District contributions and proportionate share of contributions		52,988		-
District contributions subsequent to the measurement date  TOTAL	\$	783,168 5,546,945	\$	- 4,321,129

\$783,168 reported as deferred outflow of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ended June 30		
2017	\$	154,171
2018		154,171
2019		(357,920)
2020		492,226
Total	-\$	442.648

#### NOTE 10 PENSION PLAN (CONTINUED)

#### **Actuarial Assumptions:**

The total pension asset in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 3.25 percent

Salary Increases 5.83 percent at entry to 3.87 percent after 30 years of service Investment Rate of Return 7.25 percent through 2017 and 7.50 percent thereafter, net of

pension plan investment expense

Mortality rates were based on the RP-2000 Employee Mortality Table for males and females, as appropriate.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2005 through June 30, 2011. The mortality assumptions were revised based on an extension of the experience study including mortality experience through June 30, 2013.

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	61.0%	4.5%
Fixed Income	27.0%	1.8%
Real Estate	10.0%	5.2%
Cash	2.0%	0.8%
Total	100%	

#### Discount Rate:

The discount rate used to measure the total pension asset was 7.25 percent through 2017 and 7.50% thereafter. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that matching employer contributions from will be made at rates equal to the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

#### NOTE 10 PENSION PLAN (CONTINUED)

#### Sensitivity of liability (asset) to changes in the discount rate:

The following presents the School District's proportionate share of net pension asset calculated using the discount rate of 7.25 percent through 2017 and 7.50 percent thereafter, as well as what the School's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage point lower (6.25/6.50%) or 1-percentage point higher (8.25/8.50%) than the current rate:

	Current Discount			
	1% Decrease	Rate	1% Increase	
School District's proportionate share of the				
net pension liability (asset)	\$ 7,371,124	\$ (2,928,548)	\$(11,327,044)	

#### Pension Plan Fiduciary Net Position:

Detailed information about the plan's fiduciary net position is available in the separately issued SDRS financial report.

#### NOTE 11 RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and students and natural disasters. For the fiscal years ended June 30, 2016, 2015, and 2014 the costs of insurance settlements did not exceed insurance coverage. There were no significant reductions in insurance coverage from the prior year. During the year ended June 30, 2016, the School District managed its risks as follows:

#### Employee Health Insurance

The School District has elected to be self-insured and retain all risks for liabilities up to a \$3,205,300 annual aggregate deductible and/or \$125,000 per covered person per policy term, whichever is less.

The School District has equity in the Health Insurance Internal Service Fund in the amount of \$3,536,987 for the payment of future health insurance claims. The School District has also reported liabilities of \$325,975 for claims incurred through June 30, 2016. A reconciliation of changes in the aggregate liability, including incremental costs, if any, for claims during the years ended June 30, 2016 and 2015 is as follows:

	2016	2015
Unpaid Claims at beginning of fiscal year	\$ 411,062	\$ 366,523
Incurred Claims for the fiscal year	2,337,703	2,906,532
Claims Paid during the fiscal year	(2,422,790)	(2,861,993)
Unpaid Claims at end of fiscal year	\$ 325,975	\$ 411,062

During the year ended June 30, 2016, the School District paid health insurance claims of \$2,422,790 and administrative costs and premiums of \$570,101. The District accounts for the employee health insurance self-insurance plan through an Internal Service Fund.

#### Liability Insurance

The School District purchases liability insurance for risks related to torts; theft or damage to property; and errors and omissions of public officials from a commercial insurance carrier.

#### NOTE 11 RISK MANAGEMENT (CONTINUED)

#### Worker's Compensation

The School District purchases liability insurance for worker's compensation from a commercial carrier.

#### **Unemployment Benefits**

The School District has elected to be self-insured and retain all risk for liabilities resulting from claims for unemployment benefits.

The School District has equity in the Unemployment Insurance Internal Service Fund in the amount of \$742,299 for the payment of future unemployment benefits.

During the year ended June 30, 2016, claims for unemployment benefits of \$56 were paid. As of June 30, 2016, it is not anticipated that any material claims for unemployment benefits will be filed in the next fiscal year. The District accounts for the unemployment benefits self-insurance funds through an Internal Service Fund.

#### NOTE 12 - CONSTRUCTION COMMITMENTS

The District has entered into contracts totaling \$789,377 for roof work, track resurfacing, chiller replacement, bus cameras, thermostat replacement, and EIFS repairs as of June 30, 2016. Cost of \$613,912 had been incurred against these contracts. The balance of the contracts will be paid as work progresses on these projects.

#### NOTE 13 - PRIOR PERIOD ADJUSTMENT

In the previous year, the telephone gross receipts receivable of \$201,768 was mistakenly deferred, and revenue was not recognized at the fund level. Upon further investigation, it was determined the District collected this receivable within sixty days after year end, therefore it is measurable, and available and should have been recognized as revenue in fiscal year 2015. A prior period adjustment was reported on the financial statements to recognize the effect of this revenue. The prior period adjustment increased the beginning balance of net position of the general fund by \$201,768.

# Required Supplementary Information

#### REQUIRED SUPPLEMENTARY INFORMATION YANKTON SCHOOL DISTRICT NO. 63-3 BUDGETARY COMPARISON SCHEDULE GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted	d Amounts Final	- Actual Amounts	Variance with Final Budget - Positive (Negative)		
_						
Revenues: Revenue from Local Sources:						
Taxes:						
Ad Valorem Taxes	\$ 6,639,515	\$ 6,639,515	\$ 6,720,125	\$ 80,610		
Prior Years' Ad Valorem Taxes	55,000	55,000	77,784	22,784		
Utility Taxes	370,000	370,000	320,912	(49,088)		
Penalties and Interest on Taxes	15,000	15,000	18,991	3,991		
Tuition and Fees: Student Tuition	2,350	2,350	1,546	(804)		
Earnings on Investments and Deposits	15,500	15,500	27,689	12,189		
Cocurricular Activities: Admissions	95,000	95,000	103.445	8,445		
Other Pupil Activity Income	22,000	22,000	27,208	5,208		
Other Revenue from Local Sources:						
Rentals	39,400	39,400	59,758	20,358		
Contributions and Donations	46,000	47,000	39,608	(7,392)		
Refund of Prior Years' Expenditures		-	1,961	1,961		
Charges for Services	130,000	130,000	17,488	(112,512)		
Other	30,000	45,039	152,626	107,587		
Revenue from Intermediate Sources: County Sources:						
County Apportionment	325,000	325,000	358,161	33,161		
Revenue for Joint Facilities	100,000	100,000	109,909	9,909		
Revenue from State Sources:						
Grants-in-Aid:	c			***		
Unrestricted Grants-in-Aid Other State Revenue	6,683,656 -	6,683,656 1,300	6,995,286 1,300	311,630 -		
Revenue from Federal Sources:						
Grants-in-Aid:						
Restricted Grants-in-Aid Received from Federal						
Government Through the State	701,915	701,915	718,258	16,343		
Unrestricted Grants-in-Aid Received Directly from Federal Government	40,000	40,000	45,776	5,776		
		·				
otal Revenue	15,310,336	15,327,675	15,797,831	470,156		
xpenditures:						
current:						
Instruction: Regular Programs:						
Elementary	3,948,655	3,961,995	3,854,288	107,707		
Middle/Junior High	1,831,595	1,836,917	1,792,992	43,925		
High School	2,628,444	2,654,821	2,612,083	42,738		
Special Programs:						
Gifted and Talented	2.000	0.000	56	(56)		
Programs for Special Education Educationally Deprived	2,000 419,685	2,000 419,685	- 450,151	2,000 (30,466)		
Other Special Programs	113,433	113,433	105,537	7,896		
Support Services:						
Pupils:						
Attendance and Social Work	1,000	1,000	695	305		
Guidance	375,902	375,902	375,881	21		
Health	103,715	105,015	107,136	(2,121)		
Instructional Staff: Improvement of Instruction	84,236	84,236	57,403	26,833		
Educational Media	411,354	411,354	342,365	68,989		
General Administration:						
Board of Education	220,403	220,403	173,393	47,010		
Executive Administration	\$ 220,867	\$ 220,867	\$ 212,797	\$ 8,070		
				(CONTINUED)		

## REQUIRED SUPPLEMENTARY INFORMATION YANKTON SCHOOL DISTRICT NO. 63-3 BUDGETARY COMPARISON SCHEDULE GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts				Variance with Final Budget -		
		Original	Final	Act	ual Amounts	Posit	tive (Negative)
School Administration: Office of the Principal Other	\$	1,248,798 19,281	\$ 1,248,798 19,281	\$	1,272,682 12,906	\$	(23,884) 6,375
Business: Fiscal Services Operation and Maintenance of Plant Pupil Transportation		362,578 2,229,143 416,120	362,578 2,229,143 416,120		365,896 2,022,772 421,284		(3,318) 206,371 (5,164)
Food Services		57,604	57,604		54,438		3,166
Central: Staff Recruitment & Placement		7,700	7,700		4,914		2,786
Community: Non-public School Pupils		9,134	9,134		8,934		200
Nonprogrammed Charges: Early Retirement Payments		119,969	119,969		119,969		-
Cocurricular Activities: Transportation Combined Activities		43,060 603,561	 43,060 604,561		44,268 578,111		(1,208) 26,450
Total Expenditures		15,478,237	 15,525,576		14,990,951		534,625
Excess(Deficiency) of Revenue Over(Under) Expenditures		(167,901)	 (197,901)		806,880		1,004,781
Other Financing Sources (Uses): Transfers Out Sale of Surplus Property Total Other Financing Sources (Uses)	_	(75,000) 57,000 (18,000)	 (75,000) 57,000 (18,000)		(75,000) - (75,000)		(57,000) (57,000)
Net Change in Fund Balances		(185,901)	(215,901)		731,880	\$	947,781
Fund Balance - Beginning		5,955,284	5,955,284		5,955,284		
Prior Period Adjustment		-	-		201,768		
Fund Balance - Beginning (As Restated)		5,955,284	5,955,284		6,157,052		
Fund Balance - Ending	\$	5,769,383	\$ 5,739,383	\$	6,888,932		

# REQUIRED SUPPLEMENTARY INFORMATION YANKTON SCHOOL DISTRICT NO. 63-3 BUDGETARY COMPARISON SCHEDULE CAPITAL OUTLAY FUND FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts						riance with al Budget -	
		Original	AIIIO	Final	Act	ual Amounts		ai Budget - ive (Negative)
Revenues:								
Revenue from Local Sources: Taxes:								
Ad Valorem Taxes	\$	3,589,428	\$	3,589,428	\$	3,852,817	\$	263,389
Prior Years' Ad Valorem Taxes	Ψ	40,000	Ψ	40,000	Ψ.	35,147	Ψ	(4,853)
Penalties and Interest on Taxes		6,000		6,000		6,706		706
Earnings on Investments and Deposits		10,000		10,000		6,354		(3,646)
Other Revenue from Local Sources:								
Contributions and Donations		-		12,539		12,732		193
Other		-		-		6,670		6,670
Revenue from Intermediate Sources:								
Revenue for Joint Facilities		119,505		119,505		21,726		(97,779)
Revenue from State Sources:								
Grants-in-Aid:								
Restricted Grants-in-Aid		-		17,545		17,545		-
Revenue from Federal Sources: Grants-in-Aid:								
Restricted Grants-in-Aid Received from								
Federal Government Through the State		26,425		26,425		24,998		(1,427)
Total Revenue		3,791,358		3,821,442		3,984,695		163,253
Expenditures:								
Current:								
Instruction:								
Regular Programs:		400 EE0		400 550		0.40.000		107 150
Elementary		482,552		483,552		346,393		137,159
Middle/Junior High High School		237,954 466,732		237,954		161,187		76,767
riigh school		400,732		484,277		404,539		79,738
Special Programs:		0.000						
Programs for Special Education		9,000		9,000		7,799		1,201
Support Services: Instructional Staff:								
Educational Media		40,568		40,568		40,374		194
		40,000		40,000		40,574		154
Business: Fiscal Services		64,725		64,725		55,932		9.702
Facilities Acquisition and Construction		656,400		746,400		662,944		8,793 83,456
Operation and Maintenance of Plant		1,024,330		1,159,330		1,006,238		153,092
Pupil Transportation		123,500		188,500		182,546		5,954
Food Services		6,000		6,000		2,539		3,461
Cuppert Condess Control				,		•		-,
Support Services-Central: Information		17,000		17,000		14,170		2,830
Cocurricular Activities:								
Combined Activities		61,500		74,500		75,184		(684)
Debt Services		897,775		897,775		895,000		2,775
	-							
Total Expenditures		4,088,036		4,409,581		3,854,845		554,736
Net Change in Fund Balances		(296,678)		(588,139)		129,850	\$	717,989
Fund Balance - Beginning		2,008,213		2,008,213		2,008,213		
Fund Balance - Ending	<del></del>		\$	1,420,074	•			
r and balance - Lituing	Ψ	1,711,535	\$	1,420,074	φ	2,138,063		

Note: Capital Outlay Expenditures that are reported separately as a line item on the fund financial statements are allocated to each respective function on the budgetary comparison schedule.

#### REQUIRED SUPPLEMENTARY INFORMATION YANKTON SCHOOL DISTRICT NO. 63-3 BUDGETARY COMPARISON SCHEDULE SPECIAL EDUCATION FUND FOR THE YEAR ENDED JUNE 30, 2016

FOR	THE Y	EAR ENDED JU	JNE 3	0, 2016			Vo	ionoo with
		Budgete	d Amo	ounts				iance with al Budget -
		Original		Final	Act	tual Amounts		ve (Negative)
Revenues:								
Revenue from Local Sources:								
Taxes:								
Ad Valorem Taxes	\$	1,821,533	\$	1,821,533	\$	1,849,359	\$	27,826
Prior Years' Ad Valorem Taxes	•	20,000	•	20,000	•	17,336	*	(2,664)
Penalties and Interest on Taxes		3,000		3,000		2,913		(87)
Earnings on Investments and Deposits		4,000		4,000		5,187		1,187
Revenue from Local Sources:								
Charges for Services		48,000		48,000		18,022		(29,978)
Revenue from State Sources:								
Grants-in-Aid:								
Restricted Grants-in-Aid		1,200,716		1,200,716		836,626		(364,090)
Revenue from Federal Sources:								
Grants-in-Aid:								
Restricted Grants-in-Aid Received from Federal								
Government Through the State		686,404	_	686,404		689,000		2,596
Total Revenue		3,783,653		3,783,653		3,418,443		(365,210)
Expenditures:								
Current:								
Instruction:								
Special Programs:								
Programs for Special Education		2,768,274		2,768,274		2,456,887		311,387
Support Services:								
Pupils:								
Health		20,750		20,750		22,946		(2,196)
Psychological		230,106		230,106		221,139		8,967
Speech Pathology		383,044		383,044		380,784		2,260
Student Therapy		172,769		172,769		167,957		4,812
Orientation and Mobility		15,000		15,000		11,643		3,357
Officination and mobility		15,000		13,000		11,043		3,337
Instructional Staff:								
Improvement of Instruction		13,000		13,000		4,741		8,259
Educational Media		1,500		1,500		608		892
General Administration:								
Board of Education		4,500		4,500		1,810		2,690
DOMESTIC DESCRIPTION		1,000		1,000		1,010		2,000
Special Education:								
Administrative Costs		159,152		159,152		152,260		6,892
Transportation Costs		109,093		109,093		103,118		5,975
Other Special Education Costs		147,000		147,000		103,731		43,269
Total Expenditures		4,024,188		4,024,188		3,627,624		396,564
Net Change in Fund Balances		(240,535)		(240,535)		(209,181)	\$	31,354
Fund Balance - Beginning		1,436,220	_	1,436,220		1,436,220		
Fund Balance - Ending	\$	1,195,685	\$	1,195,685	\$	1,227,039		

# REQUIRED SUPPLEMENTARY INFORMATION YANKTON SCHOOL DISTRICT NO. 63-3 SCHEDULE OF FUNDING PROGRESS FOR RETIREE HEALTH INSURANCE COVERAGE

For the Year Ended June 30, 2016

### Schedule of Funding Progress for the Retiree Health Insurance Coverage

Actuarial Valuation Date	Valu As:	uarial ue of sets a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
 7/1/2008 *	\$	_	\$ 1,313,291	\$ 1,313,291	0.00%	\$ 8,961,203	14.7%
7/1/2010	\$	-	\$ 846,014	\$ 846,014	0.00%	\$ 12,751,513	6.6%
7/1/2012	\$	-	\$ 768,022	\$ 768,022	0.00%	\$ 10,645,207	7.2%
7/1/2014	\$	_	\$ 1,168,640	\$ 1,168,640	0.00%	\$ 10,783,906	10.8%

See Note 7 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost and Net OPEB Obligation, funding status and funding progress.

<sup>\*</sup> Fiscal 2008 was the first year for calculating the Post Employment Benefit Obligation so information from previous years in not available.

#### Schedule of Required Supplementary Information

### SCHEDULE OF YANKTON DISTRICT #63-3'S PROPORTIONATE SHARE SHARE OF THE NET PENSION LIABILITY (ASSET) South Dakota Retirement System

Last 10 Fiscal Years \* (Dollar amounts in thousands)

		2015**		2016
District's proportion of the net pension liability (asset)	.=	0.70687480%	-0.6	9048600%
District's proportionate share of net pension liability (asset)	\$	(5,093)	\$	(2,929)
District's covered-employee payroll	\$	12,361	\$	12,600
District's proportionate share of the net pension liability (asset) as a percentage of its coverd-employee payroll		-41.2%		-23.2%
Plan fiduciary net position as a percentage of the total pension liability (asset)		107.3%		104.1%

<sup>\*</sup> The amounts presented for each fiscal year were determined as of the measurement date of the collective net pension liability (asset) which is 6/30 of previous fiscal year.

<sup>\*\*</sup> Fiscal year 2015 was the initial year of implementation of GASB 68 requirements. Therefore, two years of information is presented. The District will continue to add to this schedule until it includes ten years as required.

# Schedule of Required Supplementary Information SCHEDULE OF YANKTON SCHOOL DISTRICT #63-3'S CONTRIBUTIONS South Dakota Retirement System

Last 10 Fiscal Years \* (Dollar amounts in thousands)

	20	015*	2016	
Contractually required contribution	\$	756	\$	783
Contributions in relation to the contractually required contribution	\$	756	\$	783
Contribution deficiency (excess)	\$	-	\$	•
District's covered-employee payroll	\$	12,600	\$	13,050
Contributions as a percentage of covered-employee payroll		6.00%		6.00%

<sup>\*</sup> Fiscal year 2015 was the initial year of implementation of GASB 68 requirements. Therefore, two years of information is presented. The District will continue to add to this schedule until it includes ten years as required.

#### YANKTON SCHOOL DISTRICT NO. 63-3 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2016

#### NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING

The School District follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1. Prior to the first regular board meeting in May of each year the school board causes to be prepared a proposed budget for the next fiscal year according to the budgetary standards prescribed by the Auditor General.
- 2. The proposed budget is considered by the school board at the first regular meeting held in the month of May of each year.
- 3. The proposed budget is published for public review no later than July 15 each year.
- 4. Public hearings are held to solicit taxpayer input prior to the approval of the budget.
- 5. Before October 1 of each year, the school board must approve the budget for the ensuing fiscal year for each fund, except bond redemption, private-purpose trust, and agency funds.
- 6. After adoption by the school board, the operating budget is legally binding and actual expenditures for each fund cannot exceed the amounts budgeted, except as indicated in number 8.
- 7. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total School District budget and may be transferred by resolution of the school board to any other budget category, except for capital outlay, that is deemed insufficient during the year.
- 8. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of a supplemental budget when monies are available to increase legal spending authority. In January 2016 and June 2016, supplemental budgets were adopted by the School Board.
- Unexpended appropriations lapse at year-end unless encumbered by resolution of the school board.
  - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Special Revenue Funds.
- 10. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Capital Project Funds. There is no annual budget for the Bond Redemption Fund because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
- 11. Budgets for the General Fund, Special Revenue Funds, and Capital Project Funds are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

#### YANKTON SCHOOL DISTRICT NO. 63-3 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2016

#### NOTE 2 GAAP/BUDGETARY ACCOUNTING BASIS DIFFERENCES

The financial statements prepared in conformity with US GAAP present capital outlay expenditure information in a separate category of expenditures. Under the budgetary basis of accounting, capital outlay expenditures are reported within the function to which they relate. For example, the purchase of a new school bus would be reported as a capital outlay expenditure in the Governmental Funds Statement of Revenue, Expenditures and Change in Fund Balances, however, in the Budgetary RSI Schedule, the purchase of a school bus would be reported as an expenditure of the Support Services-Business/Pupil Transportation function of government, along with all other Pupil Transportation related expenditures.

#### NOTE 3 PENSION LIABILITY

Changes of benefit terms and assumptions:

No changes of benefit terms or changes in assumptions.

# Other Supplementary Information

#### YANKTON SCHOOL DISTRICT NO. 63-3 COMBINING STATEMENT OF NET POSITION PROPRIETARY NON MAJOR FUNDS JUNE 30, 2016

	Pres	chool Fund	 ncessions Fund	Total Enterprise Non Major Funds	
ASSETS			 		
Current Assets:					
Cash and Cash Equivalents	\$	75,049	\$ 10,298	\$	85,347
Inventory of Supplies		-	1,716		1,716
Prepaid Expenses		1,483	-		1,483
Total Current Assets		76,532	12,014		88,546
Non Current Assets:					
Net Pension Asset		23,136	-		23,136
Total Non Current Assets		23,136	 -		23,136
Total Assets		99,668	 12,014		111,682
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Deferred Outflows		44,063	-		44,063
Total Deferred Outflows of Resources		44,063	 		44,063
LIABILITIES Current Liabilities:					
Contracts Payable Payroll Deductions and Withholdings and		13,303	-		13,303
Employer Matching Payable		3,307	_		3,307
Total Current Liabilities		16,610	-		16,610
Total Liabilities		16,610	 -		16,610
DEFERRED INFLOWS OF RESOURCES					
Pension Related Deferred Inflows		34,137	_		34,137
Total Deferred Inflows of Resources		34,137			34,137
NET POSITION Restricted for:					
SDRS Pension Purposes		33,062	_		33,062
Unrestricted		59,922	12,014		71,936
Total Net Position	\$	92,984	\$ 12,014	\$	104,998

#### YANKTON SCHOOL DISTRICT NO. 63-3 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY NON MAJOR FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	Preschool Fund	Concessions Fund	Total Enterprise Non Major Funds	
Operating Revenues:				
Sales:	•	<b>A</b> 74.000		
Student	\$ -	\$ 71,992	\$ 71,992	
Other Charges for Goods & Services	85,635		85,635	
Total Operating Revenues	85,635	71,992	157,627	
Operating Expenses:				
Salaries	109,479	19,727	129,206	
Employee Benefits	25,400	1,984	27,384	
Purchased Services	<u>.</u>	542	542	
Supplies	3,915	64,094	68,009	
Total Operating Expenses	138,794	86,347	225,141	
Operating (Loss)	(53,159)	(14,355)	(67,514)	
Nonoperating Revenue:				
Local Sources:				
Earnings on Investments and Deposits	396	74	470	
Miscellaneous Revenue from Other Sources	<u> </u>	1,729	1,729	
Total Nonoperating Revenue (Expense)	396	1,803	2,199	
(Loss) Before Transfers	(52,763)	(12,552)	(65,315)	
Transfers In	75,000		75,000	
Change in Net Position	22,237	(12,552)	9,685	
Net Position - Beginning	70,747	24,566	95,313	
Net Position- Ending	\$ 92,984	\$ 12,014	\$ 104,998	

#### YANKTON SCHOOL DISTRICT NO. 63-3 COMBINING STATEMENT OF CASH FLOWS PROPRIETARY NON MAJOR FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	Preschool Fund	Concessions Fund	Total Enterprise Non Major Funds		
Cash Flows from Operating Activities:					
Cash Receipts from Customers	\$ 85,635	\$ 71,992	\$ 157,627		
Other Cash Receipts (Expenditures)	-	1,729	1,729		
Cash Payments to Suppliers of Goods and Services	(4,286)	(64,636)	(68,922)		
Cash Payments to Employees for Services	(137,199)	(21,711)	(158,910)		
Net Cash (Used) by Operating Activities	(55,850)	(12,626)	(68,476)		
Cash Flows from Noncapital Financing Activities:					
Transfers from Other Fund	75,000		75,000		
Net Cash Provided by Noncapital Financing Activities	75,000		75,000		
Cash Flows from Investing Activities:					
Cash Received for Interest	396	74	470		
Net Cash Provided by Investing Activities	396	74	470		
Net Increase (Decrease) in Cash and Cash Equivalents	19,546	(12,552)	6,994		
Cash and Cash Equivalents at Beginning of Year	55,503	22,850	78,353		
Cash and Cash Equivalents at End of Year	75,049	10,298	85,347		
RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES:					
Operating (Loss)	(53,159)	(14,355)	(67,514)		
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities:					
Miscellaneous Revenue	_	1,729	1,729		
Change in Assets and Liabilities:	-	1,729	1,728		
Prepaid Expenses	(371)	_	(371)		
Accrued Wages and Benefits Payable	1,093	_	1,093		
Net Pension Asset	17,606	<u>-</u>	17,606		
Deferred Outflows - Pensions	(7,970)	-	(7,970)		
Deferred Inflows - Pensions	(13,049)		(13,049)		
Net Cash (Used) by Operating Activities	\$ (55,850)	\$ (12,626)	\$ (68,476)		

#### YANKTON SCHOOL DISTRICT NO. 63-3 COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS JUNE 30, 2016

	UnemploymentInsurance	Health Insurance	Total Internal Service Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	_\$ 742,299	\$ 4,585,853	\$ 5,328,152
Total Assets	742,299	4,585,853	5,328,152
LIABILITIES			
Current Liabilities:			
Accounts Payable	<u>-</u>	44,118	44,118
Incurred But Not Reported Claims	_	325,975	325,975
Total Current Liabilities	-	370,093	370,093
Long-Term Liabilities:			
Net OPEB Obligation Payable	_	678,773	678,773
Total Long-Term Liabilities		678,773	678,773
Total Liabilities			
Total Liabilities		1,048,866	1,048,866
NET POSITION			
Unrestricted Net Position	742,299	3,536,987	4,279,286
Total Net Position	\$ 742,299	\$ 3,536,987	\$ 4,279,286

#### YANKTON SCHOOL DISTRICT NO. 63-3 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2016

		mployment surance	Hea	Ith Insurance		otal Internal rvice Funds
Operating Revenues:						
Sales:	_		_		_	
Self Insurance Premiums	\$	-	\$	2,339,246	\$	2,339,246
Stop Loss Insurance Claims		-		180,540		180,540
Total Operating Revenues		<u>-</u>	-	2,519,786		2,519,786
Operating Expenses:						
Self Insurance Claims		56		2,322,801		2,322,857
Self Insurance Administrative Costs		-		485,129		485,129
Health Insurance Membership				8,260		8,260
Total Operating Expenses		56		2,816,190	-	2,807,986
Operating (Loss)		(56)		(296,404)		(296,460)
Nonoperating Revenue: Local Sources:						
Earnings on Investments and Deposits		3,281		21,047		24,328
Total Nonoperating Revenue		3,281		21,047		24,328
Change in Net Position		3,225		(275,357)		(272,132)
Net Position - Beginning		739,074		3,812,344		4,551,418
Net Position - Ending	\$	742,299	\$	3,536,987	\$	4,279,286

#### YANKTON SCHOOL DISTRICT NO. 63-3 COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	Unemployment Insurance	Health Insurance	Total Internal Service Funds		
Cash Flows from Operating Activities: Cash Receipts from Interfund Services Providec Cash Payments to Suppliers of Goods and Services Cash Payments for Interfund Services Usec	\$ - - (139)	\$ 2,400,477 (570,101) (2,422,790)	\$ 2,400,477 (570,101) (2,422,929)		
Net Cash (Used) by Operating Activities	(139)	(592,414)	(592,553)		
Cash Flows from Investing Activities: Cash Received for Interes	3,281	21,047	24,328		
Net Cash Provided by Investing Activities	3,281	21,047	24,328		
Net Increase (Decrease) in Cash and Cash Equivalents	3,142	(571,367)	(568,225)		
Cash and Cash Equivalents at Beginning of Year	739,157	5,157,220	5,896,377		
Cash and Cash Equivalents at End of Year	742,299	4,585,853	5,328,152		
RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES: Operating (Loss)	(56)	(296,404)	(296,460)		
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities: Change in Liabilities:	(22)				
Accounts and Other Payables	(83)	(296,010)	(296,093)		
Net Cash (Used) by Operating Activities	\$ (139)	\$ (592,414)	\$ (592,553)		

#### YANKTON SCHOOL DISTRICT NO. 63-3 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	Balance 7/1/2015		ir	ncreases	De	ecreases	Balance 6/30/2016	
ASSETS Cash and Cash Equivalents Accounts Receivable, Net	\$	94,295	\$	218,932 458	\$	208,083	\$	105,144 458
Total Assets		94,295	<u> </u>	219,390		208,083		105,602
LIABILITIES Accounts Payable Amounts Held for Others		86 94,209		219,390		86 207,997		105,602
Total Liabilities	\$	94,295	\$	219,390	\$	208,083	\$	105,602

# REQUIRED SUPPLEMENTARY INFORMATION YANKTON SCHOOL DISTRICT NO. 63-3 BUDGETARY COMPARISON SCHEDULE PENSION FUND FOR THE YEAR ENDED JUNE 30, 2016

,	OK THE TEAT	K ENDED JUI	V⊏ 3U,	2016			
		Budgetee	d Amor	unts			iance with Il Budget -
		Original		Final	Actu	ual Amounts	ve (Negative)
Revenues: Revenue from Local Sources: Taxes:							
Ad Valorem Taxes Prior Years' Ad Valorem Taxes Penalties and Interest on Taxes	\$	380,009 3,000 825	\$	380,009 3,000 825	\$	385,281 3,515 647	\$ 5,272 515 (178)
Earnings on Investments and Deposits		175		175		186	11_
Total Revenue		384,009		384,009		389,629	 5,620
Expenditures: Current: Instruction: Regular Programs: Elementary Middle/Junior High High School Other Special Programs		172,389 86,469 117,127 5,086		172,389 86,469 117,127 5,086		169,012 82,142 117,728 5,078	3,377 4,327 (601)
Total Expenditures		381,071		381,071		373,960	 7,103
Net Change in Fund Balances		2,938		2,938		15,669	\$ 12,731
Fund Balance - Beginning		14,913		14,913		14,913	
Fund Balance - Ending	\$	17,851	\$	17,851	\$	30,582	

### Statistical Section

### **Statistical Section**

This part of the Yankton School District 63-3 comprehensive annual financial report presents detailed data as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

Contents	Table
<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.	1-11
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, property tax.	12-21
<u>Debt Capacity</u> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	22-26
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	27-33
Operating Information These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	34-39

#### Yankton School District 63-3 Net Position By Component\* Last Ten Fiscal Years (Unaudited)

#### Fiscal Year Ended June 30, 20XX

Governmental Activities	2007	2008	2009	<u>2010</u>	2011	2012	2013	2014	<u>2015</u>	<u>2016</u>
Net Position:	6 04 744 776	ė ne nes nez	¢ 27 020 200	¢ 07 404 446	6 20 446 244	\$ 28 421 768	¢ 00.755.000	ė 00 040 004	# 20 200 DER	\$ 29,218,906
Net Investment in Capital Assets	\$ 24,711,776	\$ 26,965,967	\$ 27,928,309	\$ 27,431,446	\$ 28,146,211	+,,	\$ 28,755,322	\$ 29,816,294	\$ 30,299,958	
Restricted	2,223,460	2,221,930	2,524,827	3,529,300	3,553,633	4,238,387	4,613,699	2,640,699	5,970,631	7,379,743
Unrestricted	9,779,897	11,058,524	11,388,175	12,012,777	11,399,517	11,068,318	10,401,104	10,881,907	10,580,761	11,127,010
Total net position	36,715,133	40,246,421	41,841,311	42,973,523	43,099,361	43,728,473	43,770,125	43,338,900	46,851,350	47,725,659
Business-Type Activities										
Net Position:										
Net Investment in Capital Assets	70,914	61,639	60,110	74,789	91,258	89,325	73,277	66,160	68,254	56,672
Restricted	-	-	-	-	-	-	-	-	166,778	189,657
Unrestricted	200,080	162,845	173,117	126,925	84, 153	203,101	331,238	447,998	540,996	550,805
Total net position	270,994	224,484	233,227	201,714	175,411	292,426	404,515	514,158	776,028	797,134
Total Primary Government										
Net Position:										
Net Investment in Capital Assets	24,782,690	27,027,606	27,988,419	27,506,235	28,237,469	28,511,093	28,828,599	29,882,454	30,368,212	29,275,578
Restricted	2,223,460	2,221,930	2,524,827	3,529,300	3,553,633	4,238,387	4,613,699	2,640,699	5,970,631	7,569,400
Unrestricted	9,979,977	11,221,369	11,561,292	12,139,702	11,483,670	11,271,419	10,732,342	11,329,905	11,121,757	11,677,815
Total net position	\$ 36,986,127	\$ 40,470,905	\$ 42,074,538	\$ 43,175,237	\$ 43,274,772	\$ 44,020,899	\$ 44,174,640	\$ 43,853,058	\$ 47,460,600	\$ 48,522,793

<sup>\*</sup> The source of this information is District records.

#### Table 2 (cont)

#### Yankton School District 63-3 Changes in Net Position\* Last Ten Fiscal Years (Unaudited)

#### Fiscal Year Ended June 30, 20XX

2008 \$13,339,305 6,831,322  274,158 879,403 21,324,188	\$14,488,428 7,621,863 9,704 85,074 308,843 831,182 23,345,094	\$14,527,591 7,659,511 956 194,656 317,001 918,434 23,618,149	\$14,983,400 7,858,861 597 320,012 278,577 823,313 24,264,760	\$13,749,495 7,308,404 258 240,943 274,931 704,342	\$13,473,326 7,789,325 7,215 355,756 229,690 751,963	\$13,476,614 7,908,844 11,518 195,651 148,184	\$13,643,497 8,342,969 13,611 124,428 55,976	\$13,549,999 8,341,157 8,934 88,806
6,831,322 - - 274,158 879,403 21,324,188	7,621,863 9,704 85,074 308,843 831,182	7,659,511 956 194,656 317,001 918,434	7,858,861 597 320,012 278,577 823,313	7,308,404 258 240,943 274,931	7,789,325 7,215 355,756 229,690	7,908,844 11,518 195,651 148,184	8,342,969 13,611 124,428	8,341,157 8,934 88,806
6,831,322 - - 274,158 879,403 21,324,188	7,621,863 9,704 85,074 308,843 831,182	7,659,511 956 194,656 317,001 918,434	7,858,861 597 320,012 278,577 823,313	7,308,404 258 240,943 274,931	7,789,325 7,215 355,756 229,690	7,908,844 11,518 195,651 148,184	8,342,969 13,611 124,428	8,341,157 8,934 88,806
6,831,322 - - 274,158 879,403 21,324,188	7,621,863 9,704 85,074 308,843 831,182	7,659,511 956 194,656 317,001 918,434	7,858,861 597 320,012 278,577 823,313	7,308,404 258 240,943 274,931	7,789,325 7,215 355,756 229,690	7,908,844 11,518 195,651 148,184	8,342,969 13,611 124,428	8,341,157 8,934 88,806
274,158 879,403 21,324,188	9,704 85,074 308,843 831,182	956 194,656 317,001 918,434	597 320,012 278,577 823,313	258 240,943 274,931	7,789,325 7,215 355,756 229,690	7,908,844 11,518 195,651 148,184	8,342,969 13,611 124,428	8,341,157 8,934 88,806
879,403 21,324,188	85,074 308,843 831,182	194,656 317,001 918,434	320,012 278,577 823,313	258 240,943 274,931	7,215 355,756 229,690	11,518 195,651 148,184	13,611 124,428	8,934 88,806
879,403 21,324,188	308,843 831,182	317,001 918,434	320,012 278,577 823,313	240,943 274,931	355,756 229,690	195,651 148,184	124,428	88,806
879,403 21,324,188	308,843 831,182	317,001 918,434	278,577 823,313	274,931	229,690	148,184	• • • • • • • • • • • • • • • • • • • •	
879,403 21,324,188	831,182	918,434	823,313				55 976	
21,324,188	831,182	918,434	823,313					44,814
21,324,188						729,527	768,849	768,718
10.010				22,278,373	22,607,275	22,470,338	22,949,330	22,802,428
40.040			-					
40.040								
	70.050							
	72,958	74,354	93,457	96,295	97,854	2,350	2,850	1,546
208,545	353,337	319,552	296,432	344,508	199,231	125,314	268,065	131,635
149,884	128,838	120,044	124,392	123,438	111,919	119,619	124,421	130,653
1,882,720	2,562,507	3,010,190	2,280,082	1,580,169	1,771,860	1,868,776	2,210,103	1,720,181
1,061,066	940,336	1,054,233	727,694	519,318	540,295	647,859	881,598	560,513
-	•	-	-	-	-	-	145	-
-	-	-	-	-	-	-	6,282	
52,728	178,150	113,625	64,809	98,025	27,859	89,569	258,002	55,275
64,674	23,372	9,820	-	1,200	16,924	39,282		· •
652,921	275,117	15,449	-					
10,168,753	10,686,597	10,626,989	11,207,237	11,544,857	11,416,900	11,543,740	12,396,950	13,107,430
194,129	223,003	220.985	239,750	348,202	741,414	370,840	355,799	320,912
8,709,133	8,275,480	8,074,490	7,309,119	7,404,564	7,054,948	6,710,967	6,716,054	6,995,286
344,536	388,288	276,390		-	.,001,010	0,710,007	0,710,054	0,000,200
14,174	-	23,531	1,225,920	49,349	157.415	44,414	45,838	45,776
23,621	3,486	20,517	28,733	154,665	38,052	77,717	43,030	45,770
583,654	400,294	396,762	122,099	121,026	73,911	59,962	49,195	63,744
551,524	434,420	430,947	703,892	535,984	561,892	491,421	604,285	618,784
								(75,000)
3,372,617	1,594,890	1,132,212	125,838					23,676,735 874,307
					110,100	(IOT,EEO)	000,201	014,007
36,873,804	40,246,421	41,841,311	42,973,523	43.099.361	43.728.473	43 770 125	43 338 900	46,851,352
3,372,617	1,594,890							874,307
		-		,		(101,220)		017,001
\$40,246,421	\$41,841,311	\$42,973,523	\$43,099,361	\$43,728,473		\$43 338 900		\$47,725,659
						+ 10,000,000		f on next page)
	24,696,805 3,372,617 36,873,804 3,372,617	24,696,805 24,939,984 3,372,617 1,594,690 36,873,804 40,246,421 3,372,617 1,594,690	24,696,805 24,939,984 24,750,361 3,372,617 1,594,890 1,132,212 36,873,804 40,246,421 41,841,311 3,372,617 1,594,890 1,132,212	24,696,605     24,939,984     24,750,361     24,390,596       3,372,617     1,594,890     1,132,212     125,838       36,873,804     40,246,421     41,841,311     42,973,523       3,372,617     1,594,890     1,132,212     125,838	24,696,605     24,939,984     24,750,361     24,390,598     22,807,485       3,372,617     1,594,890     1,132,212     125,838     629,112       36,873,804     40,246,421     41,841,311     42,973,523     43,099,361       3,372,617     1,594,890     1,132,212     125,838     629,112	24,696,605     24,939,984     24,750,361     24,390,598     22,807,485     22,722,474       3,372,617     1,594,890     1,132,212     125,838     629,112     115,199       36,873,804     40,246,421     41,841,311     42,973,523     43,099,361     43,728,473       3,372,617     1,594,890     1,132,212     125,838     629,112     115,199	(13,897) (6,189) (37,517) (33,018) (14,115) (88,000) (75,000) (24,688,05) 24,939,884 24,750,361 24,399,598 22,807,485 22,722,474 22,039,113 3,372,617 1,594,890 1,132,212 125,638 629,112 115,199 (431,225) (4	(13,897)

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Table 2 (cont)

#### Yankton School District 63-3 Changes in Net Position\* Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30, 20XX 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 **Business Type Activity** Food Service \$1,378,508 \$1,417,139 \$1,432,124 \$1,435,777 \$1,503,106 \$1,442,171 \$1,476,379 \$1,545,883 \$1,518,425 \$1,658,945 138,794 Preschool Fund 154,700 55,204 1,755,787 125,695 61,047 1,705,167 139,131 Concessions 86,347 1,884,086 1,378,508 1,417,139 1,432,124 1,435,777 Total Expenses 1,503,106 1,442,171 1,615,510 Revenues Charges for Services
Operating Grants and Contributions
Capital Grants and Contributions 760,672 597,209 5,283 3,583 723,410 556,165 768,244 581,201 804,360 611,452 724,318 718,599 842,904 902,863 996,657 1.014.556 982,290 786,788 5,378 1,607 701,068 735,335 756,906 843,590 12,723 1,977 2,583 Unrestricted Investment Earnings 7,287 3,443 868 1,099 1,401 Other General Revenues Transfers (4,725) 75,000 1,843,714 138,547 1,729 75,000 1,905,192 37,517 1,404,264 (31,513) 13,897 10,062 6,199 1,425,454 14,115 1,559,186 117,015 88,000 1,727,599 112,089 75,000 1,865,430 109,643 33,018 Total Revenues and Transfers 1,370,629 (46,510) ,302,360 (76,148) 1,476,803 (26,303) Total Net (Expense) Revenue 21,106 Changes In Net Position Net Position-Beginning 347,142 (76,148) 270,994 224.484 201,714 (26,303) 175,411 117,015 292,426 112,089 404,515 109,643 514,158 138,547 233,227 776,028 (6,670) 15,413 Change In Net Position (46,510) (31,513) 21,106 Prior Period Adjustment Net Position-Ending 270,994 224,484 201,714 175,411 404,515 292,426 514,158 233,227 797,134 Total Primary Government Expenses 22,741,327 26,067,434 3,326,107 24,777,218 26,365,438 1,588,220 25,053,926 26,154,625 1,100,699 22.740.823 25,767,866 19,413,619 24,222,785 24,226,125 24,654,497 24,686,514 Revenues and Transfers Total Net (Expense) Revenue 24,106,194 1,365,371 25,867,401 99,535 20,159,746 746,127 24,450,073 227,288 23,904,543 (321,582) 25,688,301 1,033,804 Changes in Net Position Net Position-Beginning 37,144,798 3,326,107 44,020,899 227,288 (73,547) \$44,174,640 35,620,756 40,470,905 1,588,220 42,074,538 1,100,699 43,175,237 99,535 43,274,772 746,127 44,174,640 47,627,380 43,853,058 Change in Net Position Prior Period Adjustment Net Position-Ending 1,365,371 1,033,804 2,740,518 \$47,627,380 (321,582) 895,413 15,413 \$42,074,538 \$36,986,127 \$40,470,905 \$43,175,237 \$43,274,772 \$44,020,899 \$43,853,058 \$48,522,793

<sup>\*</sup>The source of this information is District records.

#### Yankton School District 63-3 Fund Balances of Governmental Funds\* Last Ten Fiscal Years (Unaudited)

				Fiscal Y	ear Ended Ju	ne 30 20XX				
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund (10)					******				2010	20.10
Nonspendable:										
Inventory of Supplies	\$ 78,540	\$ 79,539	\$ 17,907	\$ 48,994	\$ 55,502	\$ 37,485	\$ 27,504	\$ 35,211	\$ 28,035	\$ 21,868
Pre-Paids	-	-	-	67,431	62,147	36,034	199,542	38,846	103,053	169,246
Assigned to:								,	,	,
Subsequent Budget	-	-	-	-	1,784,385	554,235	944,569	_	_	_
Unassigned	5,823,970	5,513,975	5,502,963	5,110,130	2,451,017	3,432,661	3,820,770	4.851.437	5.824,196	6,697,818
Total	5,902,510	5,593,514	5,520,870	5,226,555	4,353,051	4,060,415	4,992,385	4,925,494	5,955,284	6,888,932
Capital Outlay Fund (21)								.,	-,,	5,000,002
Nonspendable:										
Inventory of Supplies	-	-	-	-	-	-	-	114,483	184,345	_
Pre-Paids	-	-	-	-		-	4.800	5,325	16,318	13,566
Restricted for Capital Outlay	1,176,160	1,102,122	913,281	1,289,103	1,379,175	6.077.703	6,905,254	1,436,420	1,807,550	2,124,497
Total	1,176,160	1,102,122	913,281	1,289,103	1,379,175	6,077,703	6,910,054	1,556,228	2,008,213	2,138,063
Special Education Fund (22)								.,,	_,,	2,700,000
Nonspendable:										
Pre-Paids	-	-	-	-	-	-	28,271	5,243	17,988	30,636
Restricted for Special Education	494,819	688,413	953,747	1,251,484	1,532,054	1,362,051	1,402,612	1.088.682	1,418,232	1,196,403
Total	494,819	688,413	953,747	1,251,484	1,532,054	1,362,051	1,430,883	1,093,925	1,436,220	1,227,039
Pension Fund (24)										.,
Restricted for Pension Fund	10,425	17,535	21,435	11,658	18,011	7,967	17,870	8,118	14,913	30.582
Total	10,425	17,535	21,435	11,658	18,011	7,967	17,870	8,118	14,913	30,582
Bond Redemption Fund (31)							•	,	•	
Restricted for Bond Redemption	428,840	4,136,715	497,889	469,543	502,772	599,974	139,785	-		-
Total	428,840	4,136,715	497,889	469,543	502,772	599,974	139,785	-	-	-
Capital Projects Fund (44)										
Restricted for Capital Projects			6,114,666	354,558	-		-	-	-	-
Total	-	-	6,114,666	354,558	-	-	-	-	-	
All Governmental Funds										
Non-Spendable	78,540	79,539	17,907	116,425	117.649	73,519	260,117	199,108	349,739	235,316
Restricted	2,110,244	5,944,785	8,501,017	3,376,346	3,432,012	8,047,695	8,465,521	2,533,220	3,240,695	3,351,482
Assigned	-	_	· · · · ·		1,784,385	554,235	944,569	-,000,220	-	0,001,402
Unassigned	5,823,970	5,513,975	5,502,963	5,110,130	2,451,017	3,432,661	3,820,770	4,851,437	5.824.196	6,697,818
Total	\$8,012,754	\$11,538,299	\$14,021,887	\$8,602,901	\$7,785,063	\$12,108,110	\$13,490,977	\$ 7,583,765	\$ 9,414,630	\$10,284,616

<sup>\*</sup> The source of this information is District records.

<sup>\*\*</sup> Fund Balances for Fiscal Years 2007 - 2010 are restated to conform with Governmental Accounting Standards Board (GASB) Statement No. 54 implemented in Fiscal Year 2011.

#### Yankton School District 63-3 Changes in Fund Balances of Governmental Funds\* Last Ten Fiscal Years (Unaudited)

	<u>2007</u>	2008	2009	2010	2011	<u>2012</u>	2013	2014	<u>2015</u>	2016
Revenues by Source Local	4 40 000 400									
Intermediate	\$ 10,906,136	\$ 11,039,369	\$ 11,687,150				\$ 12,509,644	\$ 12,471,881	\$ 13,353,520	
State	430,252 9,605,122	550,753	446,082	426,580	465,220	487,248	458,965	479,608	646,446	489,796
Federal		10,587,585	10,315,533	9,675,909	8,634,002		8,102,315	7,697,543	8,378,053	7,850,757
Total Revenue	1,649,903 22,591,413	1,541,446 23,719,153	1,927,566	2,828,242	2,963,150	1,369,012	1,450,062	1,406,303	1,408,817	1,478,032
Total Revenue	22,381,413	23,718,153	24,376,331	24,602,608	24,125,883	22,779,510	22,520,986	22,055,335	23,786,836	23,590,598
Expenditures by Function										
Instruction	12,808,529	13,177,167	13,704,677	13,561,524	14,195,084	12,549,058	11,264,999	12,665,291	12,171,965	12,565,872
Support Services	8,008,711	8,545,729	9,307,108	13,973,468	8,726,477	7,429,123	7,295,996	9,570,428	9,106,659	8,560,042
Community Services	-	-	9,704	956	597	258	7,215	11,518	11,013	8,934
Non-Programmed Charges	-	-	43,378	142,940	143,936	329,607	238,034	364,762	182,714	119,969
Debt Service - Principle	1,235,000	1,275,000	1,325,000	1,295,000	1,425,000	1,460,000	1,505,000	4,540,000	655,000	850,000
Debt Service - Interest / Other	276,886	233,980	323,061	385,373	263,994	297,540	231,442	154,083	56,708	45,000
Co-Curricular Activities	1,039,832	777,274	727,194	724,800	716,038	594,465	641,337	653,194	696,912	697,563
Total Expenditures	23,368,958	24,009,149	25,440,122	30,084,061	25,471,126	22,660,051	21,184,023	27,959,276	22,880,971	22,847,380
Excess (Deficiency) of										
Revenue Over Expenditures	(777,545)	(289,996)	(1,063,791)	(5,481,453)	(1,345,243)	119,459	1,336,963	(5,903,941)	905,865	743,218
Other Financing Sources (Uses)										
Proceeds from Long Term Debt	248,000	119,375			-			-	1,000,000	_
Sale of Surplus Property	4,489	2,892	54,968	62,467	490,666	58,400	64,716	67,974	1,000,000	_
Compensation for Loss of Fixed Assets	-	-,	-	-	36,739	90,188	69,188	3,755	-	
Transfers In	_				7,136		00,100	81,263	_	
Transfers Out		-	-	-	(7,136)	_	(88,000)	(156,263)	(75,000)	(75,000)
Proceeds of C.O. Certificates Issued	-	3,730,474	7,090,000		(-1,	4,055,000	(00,000)	(100,200)	(10,000)	(10,000)
Premium / (Discount) on Capital Outlay						.,,,,,,,,,				
Certificates Issued	-	(37,200)	47,411	_		-			_	_
Payments to Refunded Bonds/Capital		,	,							
Outlay Certificates Escrow Agent	-	-	(3,645,000)		_	_	_	_	_	_
Total Other Financing Sources (Uses)	252,489	3,815,541	3,547,379	62,467	527,405	4,203,588	45,904	(3,271)	925,000	(75,000)
Net Changes in Fund Balances	(525,056)	3,525,545	2,483,588	(5,418,986)	(817,838)	4,323,047	1,382,867	(5,907,212)	1,830,865	668,218
Fund Balance - Beginning	8,604,471	8,012,754	11,538,299	14,021,887	8,602,901	7,785,063	12,108,110	13,490,977	7,583,765	9,414,630
Prior Period Adjustments	-	-	-		_		-	-	-	201,768
Fund Balance - Ending	\$ 8,079,415	\$ 11,538,299	\$ 14,021,887	\$ 8,602,901	\$ 7,785,063	\$ 12,108,110	\$ 13,490,977	\$ 7,583,765	\$ 9,414,630	\$ 10,284,616
Debt Service as a percentage										
of non-capital expenditures**	7.0%	6.7%	7.1%	7.1%	7.0%	7.9%	8.4%	18.2%	3.3%	4.0%
	1.0%	0.170	1,170	7.170	1.078	1.870	0.476	10.2%	3,3%	4.0%

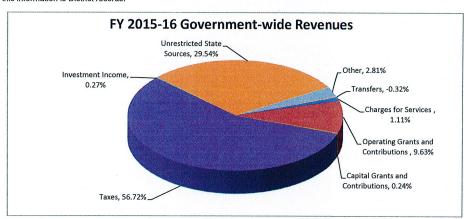
<sup>\*</sup> Includes General Fund, Capital Outlay Fund, Pension Fund, Bond Redemption Fund and a Capital Projects Fund. The source of this information is District records.

\*\*The capital outlay figure used to calculate the ratio of total debt service expenditures to non-capital expenditures equals the capital asset expenditures figure used in the reconcilation of the governmental funds statement of revenues, expenditures and changes in fund balances to the statement of activities.

#### Yankton School District 63-3 General School System Revenues By Source - Government Wide\* Last Ten Fiscal Years (Unaudited)

	Cha	arges for		perating ants and	Ca	pital Grants and		In	vestment	U	nrestricted					
Fiscal Year	S	ervices	Cor	ntributions	Co	ntributions	Taxes		Income	Sta	ate Sources		Other	T	ransfers	Total
2007	\$	278,513	\$	2,821,235	\$	225,125	\$ 9,871,383	\$	707,371	\$	8,356,065	\$	554,198	\$	(10,062)	\$ 22,803,828
2008		407,069		2,943,786		770,323	10,362,882		583,654		9,053,669		589,319		(13,897)	24,696,805
2009		555,133		3,502,843		476,639	10,909,600		400,294		8,663,768		437,906		(6,199)	24,939,984
2010		513,950		4,064,423		138,894	10,847,974		396,762		8,350,880		474,995		(37,517)	24,750,361
2011		514,281		3,007,776		64,809	11,446,987		122,099		7,309,119	•	1,958,545		(33,018)	24,390,598
2012		564,241		2,099,487		99,225	11,893,059		121,026		7,404,564		739,998		(14,115)	22,907,485
2013		409,004		2,312,155		44,783	12,158,314		73,911		7,054,948		757,359		(88,000)	22,722,474
2014		247,283		2,516,635		128,851	11,914,580		59,962		6,710,967		535,835		(75,000)	22,039,113
2015		395,336		3,098,128		258,002	12,751,747		49,195		6,716,054		650,123		(75,000)	23,843,585
2016	\$	263,834	\$	2,280,694	\$	55,275	\$ 13,428,342	\$	63,744	\$	6,995,286	\$	664,560	\$	(75,000)	\$ 23,676,735

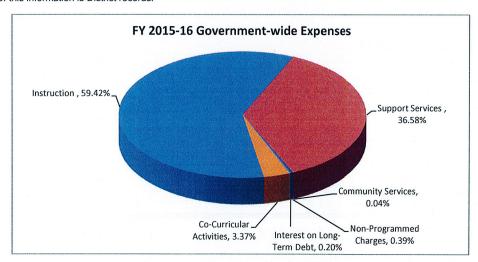
<sup>\*</sup>The source of this information is District records.



# Yankton School District 63-3 General School System Expenses By Function-Government-wide\* Last Ten Fiscal Years (Unaudited)

							Non-						
			Support	C	Community	P	rogrammed		Interest on	C	o-Curricular		
Fiscal Year	Instruction		Services		Services		Charges	Lo	ng-Term Debt		Activities		Total
2007	\$ 13,321,085	\$	6,981,523					\$	287,899	\$	771,808	\$	21,362,315
2008	13,339,305		6,831,322		-		-		274,158		879,403		21,324,188
2009	14,488,428		7,621,863		9,704		85,074		308,843		831,182		23,345,094
2010	14,527,591		7,659,511		956		194,656		317,001		918,434		23,618,149
2011	14,983,400		7,858,861		597		320,012		278,577		823,313		24,264,760
2012	13,749,495		7,308,404		258		240,943		274,931		704,342		22,278,373
2013	13,473,326		7,789,325		7,215		355,756		229,690		751,963		22,607,275
2014	13,476,614		7,908,844		11,518		195,651		148,184		729,527		22,470,338
2015	13,643,497		8,342,969		13,611		124,428		55,976		768,849		22,949,330
2016	\$ 13,549,999	\$	8,341,157	\$	8,934	\$	88,806	\$	44,814	\$	768,718	\$	22,802,428
	2007 2008 2009 2010 2011 2012 2013 2014 2015	2007         \$ 13,321,085           2008         13,339,305           2009         14,488,428           2010         14,527,591           2011         14,983,400           2012         13,749,495           2013         13,473,326           2014         13,476,614           2015         13,643,497	2007         \$ 13,321,085         \$           2008         13,339,305         \$           2009         14,488,428         \$           2010         14,527,591         \$           2011         14,983,400         \$           2012         13,749,495         \$           2013         13,473,326         \$           2014         13,476,614         \$           2015         13,643,497	Fiscal Year         Instruction         Services           2007         \$ 13,321,085         \$ 6,981,523           2008         13,339,305         6,831,322           2009         14,488,428         7,621,863           2010         14,527,591         7,659,511           2011         14,983,400         7,858,861           2012         13,749,495         7,308,404           2013         13,473,326         7,789,325           2014         13,476,614         7,908,844           2015         13,643,497         8,342,969	Fiscal Year         Instruction         Services           2007         \$ 13,321,085         \$ 6,981,523           2008         13,339,305         6,831,322           2009         14,488,428         7,621,863           2010         14,527,591         7,659,511           2011         14,983,400         7,858,861           2012         13,749,495         7,308,404           2013         13,473,326         7,789,325           2014         13,476,614         7,908,844           2015         13,643,497         8,342,969	Fiscal Year         Instruction         Services         Services           2007         \$ 13,321,085         \$ 6,981,523         -           2008         13,339,305         6,831,322         -           2009         14,488,428         7,621,863         9,704           2010         14,527,591         7,659,511         956           2011         14,983,400         7,858,861         597           2012         13,749,495         7,308,404         258           2013         13,473,326         7,789,325         7,215           2014         13,476,614         7,908,844         11,518           2015         13,643,497         8,342,969         13,611	Fiscal Year         Instruction         Services         Services           2007         \$ 13,321,085         \$ 6,981,523         -           2008         13,339,305         6,831,322         -           2009         14,488,428         7,621,863         9,704           2010         14,527,591         7,659,511         956           2011         14,983,400         7,858,861         597           2012         13,749,495         7,308,404         258           2013         13,473,326         7,789,325         7,215           2014         13,476,614         7,908,844         11,518           2015         13,643,497         8,342,969         13,611	Fiscal Year         Instruction         Support Services         Community Services         Programmed Charges           2007         \$ 13,321,085         \$ 6,981,523         -         -         -           2008         13,339,305         6,831,322         -         -         -           2009         14,488,428         7,621,863         9,704         85,074           2010         14,527,591         7,659,511         956         194,656           2011         14,983,400         7,858,861         597         320,012           2012         13,749,495         7,308,404         258         240,943           2013         13,473,326         7,789,325         7,215         355,756           2014         13,476,614         7,908,844         11,518         195,651           2015         13,643,497         8,342,969         13,611         124,428	Fiscal Year         Instruction         Support Services         Community Services         Programmed Charges         Local Year           2007         \$ 13,321,085         \$ 6,981,523         -         -         -         \$ 5,074           2008         13,339,305         6,831,322         -         -         -         -           2009         14,488,428         7,621,863         9,704         85,074         85,074           2010         14,527,591         7,659,511         956         194,656           2011         14,983,400         7,858,861         597         320,012           2012         13,749,495         7,308,404         258         240,943           2013         13,473,326         7,789,325         7,215         355,756           2014         13,476,614         7,908,844         11,518         195,651           2015         13,643,497         8,342,969         13,611         124,428	Fiscal Year         Instruction         Support Services         Community Services         Programmed Charges         Interest on Long-Term Debt           2007         \$ 13,321,085         \$ 6,981,523         -         -         \$ 287,899           2008         13,339,305         6,831,322         -         -         274,158           2009         14,488,428         7,621,863         9,704         85,074         308,843           2010         14,527,591         7,659,511         956         194,656         317,001           2011         14,983,400         7,858,861         597         320,012         278,577           2012         13,749,495         7,308,404         258         240,943         274,931           2013         13,473,326         7,789,325         7,215         355,756         229,690           2014         13,476,614         7,908,844         11,518         195,651         148,184           2015         13,643,497         8,342,969         13,611         124,428         55,976	Fiscal Year         Instruction         Support Services         Community Services         Programmed Charges         Interest on Long-Term Debt         C           2007         \$ 13,321,085         \$ 6,981,523         -         -         -         \$ 287,899         \$ 287,899         \$ 287,899         \$ 274,158	Fiscal Year         Instruction         Services         Community Services         Programmed Charges         Interest on Long-Term Debt Long-Term Debt Servicies         Community Charges         Programmed Long-Term Debt Servicies         Charges         Long-Term Debt Long-Term Debt Servicies         Activities           2007         \$ 13,321,085         \$ 6,981,523         -         -         \$ 287,899         \$ 771,808           2008         13,339,305         6,831,322         -         -         274,158         879,403           2009         14,488,428         7,659,511         956         194,656         317,001         918,434           2010         14,527,591         7,659,511         956         194,656         317,001         918,434           2011         14,983,400         7,858,861         597         320,012         278,577         823,313           2012         13,749,495         7,308,404         258         240,943         274,931         704,342           2013         13,473,326         7,789,325         7,215         355,756         229,690         751,963           2014         13,476,614         7,908,844         11,518         195,651         148,184         729,527           2015         13,643,497 <t< th=""><th>Fiscal Year         Instruction         Support Services         Community Services         Programmed Charges         Interest on Long-Term Debt Long-Term Debt Services         Activities           2007         \$ 13,321,085         \$ 6,981,523         -         -         \$ 287,899         \$ 771,808         \$ 2008           2008         13,339,305         6,831,322         -         -         274,158         879,403           2010         14,527,591         7,659,511         956         194,656         317,001         918,434           2011         14,983,400         7,858,861         597         320,012         278,577         823,313           2012         13,749,495         7,308,404         258         240,943         274,931         704,342           2013         13,473,326         7,789,325         7,215         355,756         229,690         751,963           2014         13,476,614         7,908,844         11,518         195,651         148,184         729,527           2015         13,643,497         8,342,969         13,611         124,428         55,976         768,849</th></t<>	Fiscal Year         Instruction         Support Services         Community Services         Programmed Charges         Interest on Long-Term Debt Long-Term Debt Services         Activities           2007         \$ 13,321,085         \$ 6,981,523         -         -         \$ 287,899         \$ 771,808         \$ 2008           2008         13,339,305         6,831,322         -         -         274,158         879,403           2010         14,527,591         7,659,511         956         194,656         317,001         918,434           2011         14,983,400         7,858,861         597         320,012         278,577         823,313           2012         13,749,495         7,308,404         258         240,943         274,931         704,342           2013         13,473,326         7,789,325         7,215         355,756         229,690         751,963           2014         13,476,614         7,908,844         11,518         195,651         148,184         729,527           2015         13,643,497         8,342,969         13,611         124,428         55,976         768,849

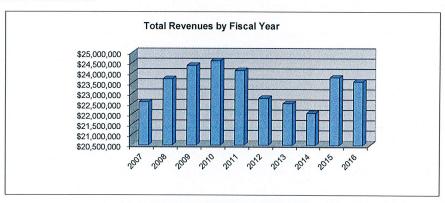
<sup>\*</sup>The source of this information is District records.



#### Yankton School District 63-3 Revenue By Source for Governmental Funds\* Last Ten Fiscal Years (Unaudited)

			Local Sources	3		Intermedi	ate Sources	State Sources	Federal Sources	
Fiscal Year	Property and Other Taxes	Tuition & Fees	Earnings on Investments	Co-Curricular Activities	Other	County Sources	Joint Facilities	Aid & Grants	Grants	Total
2007	\$ 9,907,309	\$18,369	\$484,413	\$ 142,134	\$358,400	\$312,242	\$ 118,010	\$ 9,605,122	\$1,649,903	\$22,595,902
2008	10,369,356	48,639	343,984	149,884	127,505	342,209	208,545	10,587,585	1,541,447	23,719,153
2009	10,825,517	39,930	238,747	128,838	454,118	305,627	140,455	10,315,533	1,927,566	24,376,331
2010	10,904,322	45,625	260,739	120,044	341,147	286,682	139,898	9,675,909	2,828,242	24,602,608
2011	11,413,971	74,550	75,737	124,392	374,861	319,465	145,755	8,634,002	2,963,150	24,125,883
2012	11,893,864	76,450	58,109	123,438	527,643	285,588	201,660	8,243,746	1,369,012	22,779,510
2013	11,982,737	2,350	43,907	111,919	368,731	313,752	145,213	8,102,315	1,450,062	22,520,986
2014	11,952,278	2,350	35,215	119,619	362,419	354,294	125,314	7,697,543	1,406,303	22,055,335
2015	12,848,215	2,850	26,413	124,421	351,621	378,381	268,065	8,378,053	1,408,817	23,786,836
2016	\$13,291,533	\$ 1,546	\$ 39,416	\$ 130,653	\$308,865	\$358,161	\$ 131,635	\$ 7.850.757	\$1,478,032	\$23,590,598

\*Includes General Fund, Capital Outlay Fund, Special Education Fund, Pension Fund, Debt Service Fund and Capital Projects Fund as applicable. The source of this information is District records.

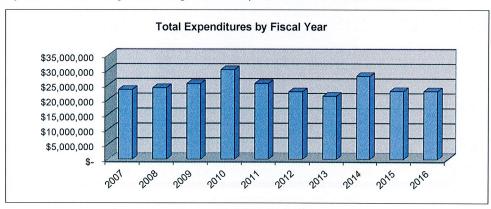


#### Yankton School District 63-3 Expenditures By Function for Governmental Funds\* **Last Ten Fiscal Years** (Unaudited)

						Non-					
Fiscal		Support	Co	mmunity	Pr	ogrammed			C	o-Curricular	
Year	 Instruction	Services	Se	rvices **	C	harges **	De	ebt Services		Activities	Total
2007	\$ 12,808,529	\$ 8,008,711	The state of				\$	1,511,886	\$	1,039,832	\$ 23,368,958
2008	13,177,167	8,545,729		-		-		1,508,980		777,274	24,009,149
2009	13,704,677	9,307,108		9,704		43,378		1,648,061		727,194	25,440,122
2010	13,561,524	13,973,468		956		142,940		1,680,373		724,800	30,084,061
2011	14,195,084	8,726,477		597		143,936		1,688,994		716,038	25,471,126
2012	12,549,058	7,429,123		258		329,607		1,757,540		594,465	22,660,051
2013	11,264,999	7,295,996		7,215		238,034		1,736,442		641,337	21,184,023
2014	12,665,291	9,570,428		11,518		364,762		4,694,083		653,194	27,959,276
2015	12,171,965	9,106,659		11,013		182,714		711,708		696,912	22,880,971
2016	\$ 12,565,872	\$ 8,560,042	\$	8,934	\$	119,969	\$	895,000	\$	697,563	\$ 22,847,380

<sup>\*</sup> Includes General Fund, Capital Outlay Fund, Special Education Fund, Pension Fund, Bond Redemption Fund and Capital Projects Fund. The source of this information is District records.

\*\* Community Services and Non-Programmed charges functions reported for first time in Fiscal Year 2008-09.



#### Yankton School District 63-3 Revenue and Expenditures by Fund for Governmental Funds \* Last Ten Fiscal Years (Unaudited)

#### Fiscal Year Ended June 30, 20XX

	2007	2008	2009	<u>2010</u>	<u>2011</u>	2012	2013	<u>2014</u>	2015	<u>2016</u>
Revenue										
General Fund	\$ 15,698,658	\$ 16,325,459	\$ 16,382,849	\$ 16,228,889	\$ 15,956,217	\$ 14,968,555	\$ 14,943,804	\$ 14,833,621	\$ 15,435,208	\$ 15,797,831
Capital Outlay Fund	2,415,870	2,776,011	3,081,970	3,016,737	3,206,072	3,439,226	3,454,430	3,559,407	4,068,503	3,984,695
Special Education Fund	3,092,698	3,339,229	3,573,424	4,047,587	3,636,723	2,992,186	3,281,910	3,319,451	3,918,766	3,418,443
Pension Fund	242,650	257,110	288,900	290,222	306,353	316,814	330,660	340,008	364,359	389,629
Bond Redemption Fund	985,893	1,021,344	1,038,687	934,053	1,001,642	1,062,729	510,182	2,848		•
Capital Projects Fund	-	-	10,501	85,120	18,876	-	· <u>-</u>	· -	-	-
Total Revenues	\$ 22,435,769	\$ 23,719,153	\$ 24,376,331	\$ 24,602,608	\$ 24,125,883	\$ 22,779,510	\$ 22,520,986	\$ 22,055,335	\$ 23,786,836	\$ 23,590,598
Expenditures										
General Fund	\$ 15,968,402	\$ 16,636,830	\$ 16,510,462	\$ 16,899,437	\$ 17,286,887	\$ 15,319,591	\$ 13,979,710	\$ 14,973,189	\$ 14,330,418	\$ 14,990,951
Capital Outlay Fund	2,776,493	2,969,941	3,270,811	2,701,609	3,193,378	2,885,886	2,700,107	8,918,548	4,616,518	3,854,845
Special Education Fund	3,037,789	3,145,634	3,308,090	3,375,389	3,356,153	3,162,189	3,213,078	3,656,409	3,576,471	3,627,624
Pension Fund	239,000	250,000	285,000	299,999	300,000	326,858	320,757	349,760	357.564	373,960
Bond Redemption Fund	984,885	1,006,743	1,032,513	962,399	968,413	965,527	970,371	61,370		· -
Capital Projects Fund	· -	-	1,033,246	5,845,228	366,295		· -	-		
Total Expenditures	\$ 23,006,569	\$ 24,009,149	\$ 25,440,122	\$ 30,084,061	\$ 25,471,126	\$ 22,660,051	\$ 21,184,023	\$ 27,959,276	\$ 22,880,971	\$ 22,847,380

<sup>\*</sup>The source of this information is District records.
\*\*Fiscal years 2007-2010 are restated to conform with Governmental Accounting Standards Board (GASB) Statement No. 54 implemented in Fiscal Year 2011.

#### Yankton School District 63-3 Governmental Activities Financial Analysis\* Last Ten Fiscal Years (Unaudited)

			Assets/L	_iabilities			<u> </u>	Rat	tios	
Fiscal Year	Cash and Investments	Current Assets**	Total Assets and Deferred Outflows*****	Current Liabilities***	Total Liabilities and Deferred Inflows ****	Total Net Position	Cash to Current Liabilities	Current Assets to Current Liabilities	Total Assets to Total Liabilities	Total Net Position to Total Liabilities
2007	\$13,481,631	\$18,888,961	\$50,093,797	\$ 8,089,816	\$13,378,604	\$36,715,193	1.67	2.33	3.74	2.74
2008	18,284,675	24,479,292	56,355,315	12,101,973	16,108,894	40,246,421	1.51	2.02	3.50	2.50
2009	22,616,481	28,577,939	61,124,506	9,432,716	19,283,195	41,841,311	2.40	3.03	3.17	2.17
2010	18,170,788	24,648,325	61,528,006	9,986,385	18,554,483	42,973,523	1.82	2,47	3.32	2.32
2011	17,412,329	23,783,822	59,969,382	9,658,594	16,870,021	43,099,361	1.80	2.46	3.55	2.55
2012	17,184,835	28,075,399	63,203,764	7,850,921	19,475,291	43,728,473	2.19	3.58	3.25	2.25
2013	17,080,485	27,361,101	61,356,332	7,286,863	17,586,207	43,770,125	2.34	3.75	3.49	2.49
2014	16,753,641	23,504,673	57,960,967	4,484,323	14,622,167	43,338,900	3.74	5.24	3.96	2.96
2015	16,285,482	28,232,230	66,825,848	3,780,754	19,974,498	46,851,350	4.31	7.47	3.35	2.35
2016	\$16,648,336	\$26,602,071	\$65,248,928	\$ 3.758.566	\$17,523,269	\$47 725 659	4.43	7.08	3 72	2.72

<sup>\*</sup>The source of this information is District records.

\*\*Includes all assets excluding capital assets.

\*\*\*Includes non-current liabilities due within one year.

\*\*\*\* Deferred Inflows reported separately on Statement of Net Position beginning FY 2013 (See Note 1 of the Notes to Basic Financial Statements for details).

\*\*\*\*\* Deferred Outflows reported separately on Statement of Net Position beginning FY 2015 with the implementation of GASB 68.

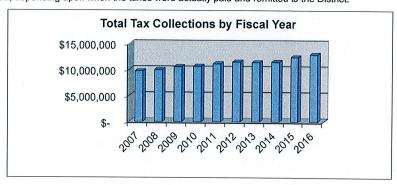
# Yankton School District 63-3 Property Tax Levies and Collections\* Last Ten Fiscal Years (Unaudited)

 Fiscal Year	Total Levy **(All Funds)	Current Tax Collections**	Percent of Levy Collected**	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections as a % of Levy
2007	\$ 9,714,609	\$ 9,665,937	99.5 %	\$ 59,478	\$ 9,725,415	100.1 %
2008	9,947,656	9,893,236	99.5	119,558	10,012,794	100.7
2009	10,497,317	10,402,887	99.1	175,043	10,577,931	100.8
2010	10,816,077	10,507,091	97.1	149,862	10,656,953	98.5
2011	11,432,602	10,997,144	96.2	150,757	11,147,901	97.5
2012	11,534,610	11,371,673	98.6	143,319	11,514,992	99.8
2013	10,764,854	11,280,214	104.8	149,849	11,430,063	106.2
2014	12,036,184	11,380,392	94.6	113,478	11,493,871	95.5
2015	12,691,514	12,306,753	97.0	105,054	12,411,807	97.8
2016	\$ 13,014,912	\$ 12,807,581	98.4 %	\$ 133,782	\$ 12,941,363	99.4 %

<sup>\*</sup> The source of this information is District records.

<sup>\*\*</sup> South Dakota property tax levies are assessed on a calendar year basis while the District fiscal year spans July - June.

Therefore, fiscal year tax collections represent approximately 50% (2nd half) of one calendar year and approximately 50% (1st half) of the subsequent calendar year. For this reason, some fiscal years reflect more than 100% collection as a percentage of the amount levied, depending upon when the taxes were actually paid and remitted to the District.

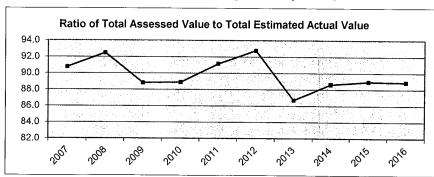


# Yankton School District 63-3 Assessed and Estimated Actual Value of Taxable Property\* (in Thousands) Last Ten Fiscal Years (Unaudited)

			Real Property			Utilities**					Tot	al			
Fiscal Year	Total Direct Levy Rate ***		Assessed Value(000)		Estimated Actual Value(000)		Assessed Value(000)		Estimated Actual Value(000)		Assessed Value(000)		Estimated Actual Value(000)		Ratio of Total Assessed Value to Total Estimated Actual Value
2007	\$	12.11	\$	774,414	\$	855,609	\$	20,873	\$	20,873	\$	795,287	\$	876,482	90.7
2008		11.23		853,413		924,572		19,806		19,806		873,219		944,378	92.5
2009		10.95		937,818		1,058,425		19,806		19,806		957,624	1,	078,231	88.8
2010		10.947		964,335		1,087,509		19,414		19,414		983,749	1.	106,923	88,9
2011		10.936		1,019,014		1,120,663		24,815		24,815		1,043,829	1	145,478	91.1
2012		10.883		1,047,132		1,130,855		25,740		25,740		1,072,872		156,595	92.8
2013		9.966		1,051,671		1,217,266		27,319		27,319		1,078,990	1.	244,585	86.7
2014		10.226		1,127,807		1,274,498		30,822		32,929		1,158,630	1,	307,428	88.6
2015		10.109		1,209,238		1,361,428		34,949		37,298		1,244,186	1.	398,726	89.0
2016	\$	9.805	\$	1,289,455	\$	1,448,997	\$	36,623	\$	43,086	\$	1,326,078	\$ 1,	492,083	88,9

<sup>\*</sup>The source of this information is the South Dakota Department of Revenue and Regulation, District records and Yankton County records.

<sup>\*\*\*</sup>The Total Direct Levy Rate is determined by multiplying the aggregate tax rates (by property classification) times the applicable levy and dividing the corresponding tax revenue by the aggregate taxable property value. Starting in calendar year 2010, levies are extended three decimal places.



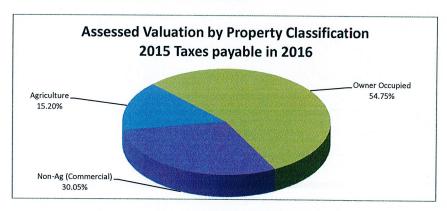
<sup>\*\*</sup>Utilities include gas, electric, telephone and telegraph as valued and assessed by the State of South Dakota. Estimated actual values not available until confirmed by the South Dakota Department of Revenue.

#### Yankton School District 63-3 Assessed Valuation by Property Classification\* **Last Ten Years** (Unaudited)

Property Classification								Assessed	Valuation by I	Property Clas	ssification as % o	of Total
		i	Owner	Non-Ag			Percent			Owner	Non-Ag	
Year**	Agriculture	Non-Ag Z***	Occupied ****	(Commercial)		Total	Change	Agriculture	Non-Ag Z***	Occupied	(Commercial)	Total
2006	\$ 93,847,833	\$2,818,737	\$ 456,902,137	\$ 241,718,799	\$	795,287,506	3.2 %	11.8 %	0.4 %	57.5 %	30.4 %	100 %
2007	124,442,374	5,381,523	495,007,005	248,388,227		873,219,129	9.8	14.3	0.6	56.7	28.4	100
2008	119,829,771	5,603,105	548,020,600	284,170,299		957,623,775	9.7	12.5	0.6	57.2	29.7	100
2009	102,771,719	2,217,047	578,258,210	300,502,295		983,749,271	2.7	10.4	0.2	58.8	30.5	100
2010	108,818,531	-	609,207,210	325,803,240		1,043,828,981	6.1	10.4	0.0	58.4	31.2	100
2011	119,573,703	-	624,162,567	329,135,513		1,072,871,783	2.8	11.1	0.0	58.2	30.7	100
2012	132,580,319		607,520,819	339,888,497		1,079,989,635	0.7	12.3	0.0	56.3	31.5	100
2013	157,530,787		640,323,385	360,775,602		1,158,629,774	7.3	13.6	0.0	55.3	31.1	100
2014	177,043,734	-	684,628,230	382,514,358		1,244,186,322	7.4	14.2	0.0	55.0	30.7	100
2015	\$201,531,820	\$ -	\$ 726,056,388	\$ 398,489,598		1,326,077,806	6.6 %	15.2 %	0.0 %	54.8 %	30.1 %	100 %

<sup>\*</sup> The source of this information is District records.

<sup>\*\*\*\*</sup> Owner-Occupied values include Mobile Homes and Mobile Homes on Real Estate.



<sup>\*\*</sup> Taxes on assessed valuations for one year are payable the following year, e.g., taxes on assessed valuations for 2006 are payable in 2007.

\*\*\* Non-Ag Z is agriculture land that sells for more than 150% of cash rent value. Cash rent values are determined by South Dakota State University. This classification was discontinued for 2010 taxes payable in 2011.

# Yankton School District 63-3 Property Tax Rates- Direct and Overlapping Governments\* (Per \$1,000 of Assessed Value) Last Ten Years\*\* (Unaudited)

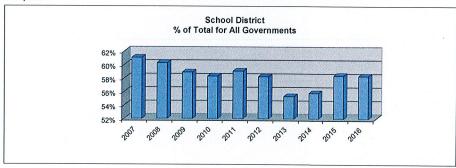
#### Yankton School District

	Service of the property of the service of the servi	I di iik	COLLOCATION I	District						
Fiscal Year	General Fund ***	Capital Outlay	Special Education	Pension Fund	Bond Redemption	School Total	Yankton City	Yankton County	Grand Total	School % of Total
2007	\$ 6.20	\$ 3.00	\$ 1.40	\$ 0.30	\$ 1.21	\$ 12.11	\$ 3.33	\$ 4.39	\$ 19.83	61.1 %
2008	5.42	3.00	1.40	0.30	1.11	11.23	3.28	4.12	18.63	60.3
2009	5.30	3.00	1.40	0.30	0.95	10.95	3.51	4.13	18.59	58.9
2010	5.297	3.000	1.400	0.300	0.95	10.947	3.518	4.305	18.770	58.3
2011	5.231	3.000	1.400	0.300	1.005	10.936	3.437	4.138	18.511	59.1
2012	5.178	3.000	1.400	0.300	1.005	10.883	3.556	4.242	18.681	58.3
2013	5.266	3.000	1.400	0.300		9.966	3.728	4.324	18.018	55.3
2014	5.526	3.000	1.400	0.300		10.226	4.142	3.960	18.328	55.8
2015	5.409	3.000	1.481	0.300	-	10.190	3.526	3.732	17.448	58.4
2016	5.096	3.000	1.409	0.300	-	9.805	3.427	3.576	16.808	58.3 %

\* The source of this information is District, City, County and South Dakota Department of Revenue records.

\*\* The Yankton School District property tax rates are shown as the tax rate for the first calendar year in the District's fiscal year, i.e, the school district total tax rate of \$12.11 for FY 2007 is the tax rate for calendar year 2006. This is necessary in order to show the relationship of the school district's tax rates to the tax rates for the city and county. Unlike the school district, the latter governmental entities budget on a calendar year basis. Also, the general school district tax rates represent a blended rate for agricultural property, owner-occupied property and non-agriculture (commercial) property.

\*\*\* The blended tax levy rate is determined by multiplying the aggregate tax rates by property classification by the applicable levy and dividing the corresponding tax revenue by the aggregate taxable property value. Starting in calendar year 2010, levies are extended three decimal places.



## Yankton School District 63-3 Principal Taxpayers Based on Assessed Valuations \* Current Year and Nine Years Ago (Unaudited)

			2	016				2007	
Taxpayer	Туре		Assessed Value	Rank	Percentage of Total Assessed Valuation		Assessed Value	Rank	Percentage of Total Assessed Valuation
Transcanada (Keystone)	Utility	\$	25,106,824	1	1.89 %		-	-	•
Jamesville Hutterian	Agricultural		15,407,713	2	1.16		-		-
Northwestern Public Service	Utility		14,887,228	3	1.12		_		-
Ralph Marquardt	Ag/Commercial		10,750,652	4	0.81		_		-
Heine Farms	Agricultural		9,689,460	5	0.73		_		-
SAPA Extrusions, Inc.	Manufacturing		9,400,201	6	0.71				
Karl Schenk	Agricultural		9,126,712	7	0.69		-		-
Hastings Filters, Inc	Manufacturing		8,926,100	8	0.67		-		-
Kolberg-Pioneer, Inc	Manufacturing		8,574,400	9	0.65		-		-
Lewis & Clark Specialty Properties	Medical		8,335,500	10	0.63		-		-
Yankton Medical Clinic	Medical		8,240,204	11	0.62		-		-
Wal-Mart Super Center	Retail		8,012,100	12	0.60		-		-
Northwestern Public Services	Utility		-		-	\$	11,884,087	1	1.54 %
Alcoa Extrusions Inc.	Manufacturing		-		-		6,703,223	2	0.87
Jamesville Hutterian	Agriculture		_		-		5,654,752	3	0.73
Heine Farms	Agriculture		-		-		4,784,830	4	0.62
Ralph Marquardt	Ag/Commercial		-		-		4,481,564	5	0.58
Robert Law	Ag/Commercial						4,369,780	6	0.57
Kohlberg-Pioneer Inc.	Manufacturing						3,992,500	7	0.52
Gehl Power Products	Manufacturing						3,958,625	8	0.51
Baldwin Filters Inc.	Manufacturing						3,850,000	9	0.50
First Dakota National Bank	Banking						3,806,546	10	0.49
		-	\$ 136,457,094		10.29 %	-	\$ 53,485,907		6.94 %
Total Assessed Valuation			\$1,326,077,806				\$ 770,797,762		

<sup>\*</sup>The source of this information is Yankton County records.

#### Yankton School District 63-3 **New Construction and Property Values** Last Ten Fiscal Years (Unaudited)

		Assessed Property Values (in Thousands)**														
Calendar	Commercial #	Val	lue (in	Residential #	Va	alue (in						Owner				
Year	of Units	thousands)		of Units ***	tho	usands)	Αç	Agriculture Non-Ag Z Occupied Co			mmercial	al Total				
2006	17	\$	12,148	48	\$	8,748	\$	93,848	\$	2,819	\$	456,902	\$	241,719	\$	795,288
2007	11		4,314	40		7,697		124,442		5,382		495,007		248,388		873,219
2008	14		6,480	34		5,963		119,830		5,603		548,021		284,170		957,624
2009	16		8,576	28		5,209		102,772		2,217		578,258		300.502		983,749
2010	11		8,569	18		3,092		108,819		-		609,207		325,803		1.043,829
2011	11		4,457	21		4,102		119,574		-		624,163		329,136		1.072.872
2012	9		1,967	14		2,745		132,580		-		607,521		338,888		1,078,990
2013	5		2,614	21		4,070		157,531		-		640,323		360,776		1.158.630
2014	13		7,385	22		3,915		177,044		-		684,628		382.514		1,244,186
2015	15	\$	5.048	34	\$	5.389	\$	201.532	\$	_	\$	726 056	s.	398 490	\$	1 326 078

<sup>\*</sup> New construction is for City of Yankton. Data for the District is not available. The source of this information is the City of Yankton.

<sup>\*\*</sup> Non-Ag Z (discontinued with taxes payable in 2011) is agriculture land that sells for more than 150% of cash rent value. Cash rent values are provided by South Dakota State University. The South Dakota State Legislature designated this property classification in 1999. The source of this information is District records.

\*\*\* New single family residences and two-family homes.

#### Yankton School District 63-3 General Fund Tax Rates by Property Classification\* (Per \$1,000 of Assessed Value) **Last Ten Fiscal Years** (Unaudited)

**Property Classifications** 

		operty concentration.		
			Owner	Non-Ag
Year**	Agriculture	Non-Ag Z***	Occupied	(Commercial)
2006	\$3.03	\$4.03	\$4.76	\$10.19
2007	2.71	3.71	4.26	9.11
2008	2.61	3.61	4.10	8.78
2009****	2.573	3.573	4.042	8.656
2010	2.554	0.000	3.965	8.491
2011	2.388	0.000	3.965	8.491
2012	2.322	0.000	4.029	8.628
2013	2.091	0.000	4.298	9.204
2014	1.787	0.000	4.265	9.132
2015	\$1.569	\$0.000	\$4.078	\$8.733

<sup>\*</sup>The source of this information is District records. Rates are established by the South Dakota Legislature and rates for a given year are payable the following year, i.e., rates for 2005 are payable in 2006.

<sup>\*\*</sup>Rates are levied by calendar year. The District budgets by fiscal year. As a result, rates for two different calendar years determine the levies for the District's budget, i.e., 2012 rates payable 2013 are levied for the first six months of the FY 2014 budget and 2013 rates payable 2014 are levied for the second six months of the FY 2014 budget.

<sup>\*\*\*</sup>Non-Ag Z - Agricultural land (discontinued for 2010 taxes payable in 2011) that sells for more than 150% of cash rent value. Cash rent values are determined by South Dakota State University. The classification was created by South Dakota Legislature.
\*\*\*\* Starting in calendar year 2010, levies are extended three decimal places.

# Yankton School District 63-3 Tax Levies by Fund\* (Per \$1,000 of Assessed Value) **Last Ten Years** (Unaudited)

			Fiscal	Year Ende	d June 30,	20XX				
Fund	<u>2006</u>	<u>2007</u>	<u>2008</u>	2009 **	<u>2010</u>	2011	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Agriculture	\$3.03	\$2.71	\$2.61	\$ 2.573	\$ 2.554	\$ 2.388	\$ 2.322	\$ 2.091	\$ 1.787	\$ 1.569
Non-Ag Z	4.03	3.71	3.61	3.573	-	-	-	-	-	-
Owner Occupied	4.76	4.26	4.10	4.042	3.965	3.965	4.029	4.298	4.265	4.078
Non-Ag (Commercial)	10.19	9.11	8.78	8.656	8.491	8.491	8.628	9.204	9.132	8.733
Capital Outlay Fund										
Total Assessed Value	3.00	3.00	3.00	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Special Education Fund										
Total Assessed Value	1.40	1.40	1.40	1.400	1.400	1.400	1.400	1.552	1.481	1.409
Pension Fund										
Total Assessed Value	0.30	0.30	0.30	0.300	0.300	0.300	0.300	0.300	0.300	0.300
Bond Redemption Fund										
Total Assessed Value	1.21	1.11	0.95	0.950	1.005	1.005	-	-	-	-
All Funds/Aggregate Rate										
Agriculture	8.90	8.52	8.26	8.223	8.259	8.093	7.022	6.943	6.568	6.278
Non-Ag Z ***	9.90	9.52	9.26	9.223	_		-	-	-	
Owner Occupied	10.63	10.07	9.75	9.692	9.670	9.670	8.729	9.150	9.046	8.787
Non-Ag (Commercial)	\$16.06	\$14.92	\$14.43	\$14.306	\$14.196	\$14.196	\$13.328	\$14.056	\$13.913	\$13.442

<sup>\*</sup> The source of this information is District records. With the exception of levies for the Bond Redemption Fund that are determined locally, all levies are the maximum allowable by state law.

\*\* Starting in calendar year 2010, levies are expressed three decimal places.

<sup>\*\*\*</sup> Non-Ag Z (acreages) were discontinued in 2010.

# Yankton School District 63-3 Comparative Tax Rates - FY 2015 and FY 2016\* (Per \$1,000 of Assessed Value) (Unaudited)

		Fiscal Yea	ar 2014-15		Fiscal Year 2015-16					
	July 1-Decemb	er 31, 2014	January 1-June 3	0, 2015	July 1-Decemb	er 31, 2015	January 1-June 3	30, 2016		
Funds/ Property	Assessed Value		Assessed		Assessed Value		Assessed			
Classifications	***	Rate**	Value ****	Rate**	****	Rate**	Value ****	Rate**		
General Fund										
Agriculture	\$ 157,530,787	\$2.091	\$ 177,043,734	\$1.787	\$ 177,043,734	\$1.787	\$ 201,531,820	\$1.569		
Non-Agriculture Z**	-	-	-	-	· · · · · -	_	_			
Owner Occupied	640,323,385	4.298	684,628,230	4.265	684,628,230	4.265	726,056,388	4.078		
Non-Ag (Commercial)	360,775,602	9.204	382,514,358	9.132	382,514,358	9,132	398,489,598	8.733		
Total Assessed Value	1,158,629,774		1,244,186,322		1,244,186,322		1,326,077,806			
Capital Outlay Fund										
Total Assessed Value	1,158,629,774	3.000	1,244,186,322	3.000	1,244,186,322	3.000	1,326,077,806	3.000		
Special Education Fund										
Total assessed Value	1,158,629,774	1.552	1,244,186,322	1.478	1,244,186,322	1.478	1,326,077,806	1.409		
Pension Fund										
Total Assessed Value	1,158,629,774	0.300	1,244,186,322	0.300	1,244,186,322	0.300	1,326,077,806	0.300		
Bond Redemption Fund										
Total Assessed Value	1,158,629,774	0.000	1,244,186,322	0.000	1,244,186,322	0.000	1,326,077,806	0.000		
All Funds/Aggregate Rate				-						
Agriculture	157,530,787	6.943	177,043,734	6.565	177,043,734	6.565	201,531,820	6.278		
Non-Agriculture Z	=	-	-	-	-	-		-		
Owner Occupied Non-Ag (Commercial)	640,323,385 \$ 360,775,602	9.150 \$14.056	684,628,230 \$ 382,514,358	9.043 \$13.910	684,628,230 \$ 382,514,358	9.043 \$13.910	726,056,388 \$ 398,489,598	8.787 \$13.442		

<sup>\*</sup> The source of this information is District records. Rates are levied by calendar year. The District budgets by fiscal year.

<sup>\*\*</sup> With the exception of the Bond Redemption Fund, maximum rates are set annually by the South Dakota Legislature. The District levies the maximum

rates.

\*\*\* Non-Ag Z (discontinued in calendar year 2011) - Agricultural land that sells for more than 150% of cash rent value. Cash rent values are determined by South Dakota State University.

\*\*\*\* Assessed Valuations include Agricultural, Non-Ag Z Acreages (discontinued for taxes payable 2011 and beyond), Owner-Occupied, Non-Ag Other

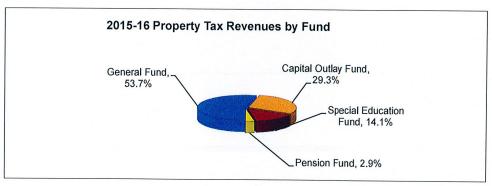
<sup>(</sup>Commercial), Mobile Homes and Mobile Homes on Real Estate.

# Yankton School District 63-3 Property Tax Revenues By Fund\* Last Ten Fiscal Years (Unaudited)

	11111				Pro	perty Tax					
Fiscal Year	Ge	eneral Fund	Ca	pital Outlay Fund	Edi	Special ucation Fund	Pe	ension Fund	R	Bond edemption Fund	Total**
2006-07	\$	5,232,105	\$	2,362,457	\$	1,103,540	\$	240,319	\$	968,888	\$ 9,907,309
2007-08		5,298,785		2,598,252		1,212,794		255,244		1,004,281	10,369,356
2008-09		5,391,299		2,845,490		1,328,578		287,422		972,727	10,825,515
2009-10		5,397,808		2,925,179		1,365,083		289,052		927,200	10,904,322
2010-11		5,623,112		3,058,253		1,427,185		306,170		999,251	11,413,971
2011-12		5,873,785		3,165,774		1,477,361		316,577		1,060,367	11,893,864
2012-13		6,297,776		3,304,052		1,541,887		330,504		508,518	11,982,737
2013-14		6,528,542		3,398,865		1,682,500		339,885		2,486	11,952,278
2014-15		7,006,589		3,642,360		1,835,028		364,238		-	12,848,215
2015-16	\$	7,137,812	\$	3,894,670	\$	1,869,608	\$	389,443	\$	<u>-</u>	\$ 13,291,533

<sup>\*</sup>The source of this information is District records.

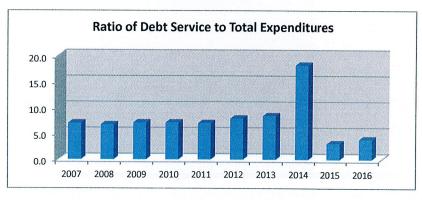
<sup>\*\*</sup>Includes current tax collections, delinquent tax collections, gross receipts/utility taxes and penalties and interest on taxes.



# Yankton School District 63-3 Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures and Noncapital Expenditures Last Ten Fiscal Years (Unaudited)

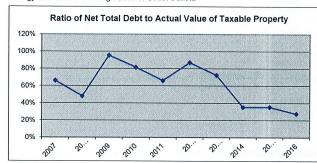
Fiscal Year	Principal	Interest	Total Debt Service	Total Expenditures*	Ratio of Debt Service to Total Expenditures (%)	Total Non-capital Expenditures	Ratio of Debt Service To Total Noncapitital Expenditures (%)
2007	\$ 1,235,000	\$ 276,886	\$ 1,511,886	\$ 23,368,958	6.5 %	\$ 19,983,741	7.0 %
2008	1,275,000	233,980	1,508,980	24,009,149	6.3	22,358,222	6.7
2009	1,325,000	323,061	1,648,061	25,440,122	6.5	23,246,269	7.1
2010	1,295,000	385,373	1,680,373	30,084,061	5.6	23,595,890	7.1
2011	1,425,000	263,994	1,688,994	25,471,126	6.6	24,279,538	7.0
2012	1,460,000	297,540	1,757,540	23,151,526	7.6	22,611,249	7.9
2013	1,505,000	231,442	1,736,442	21,184,023	8.2	20,732,745	8.4
2014	4,540,000	154,083	4,694,083	27,959,276	16.8	25,859,100	18.2
2015	655,000	56,708	711,708	22,880,971	3.1	21,323,510	3.3
2016	\$ 850,000	\$ 45,000	\$ 895,000	\$ 22,847,380	3.9 %	\$ 22,117,462	4.0 %

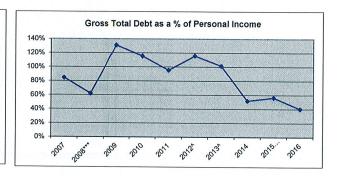
\*General expenditures include General Fund, Capital Outlay Fund, Special Education Fund, Pension Fund, Debt Service Fund and Capital Projects Fund expenditures. The source of this information is District records.



# Yankton School District 63-3 Outstanding Debt by Type/Net Total Debt/Ratio of Net Total Debt to Actual Value of Taxable Property/Total Debt as % of Personal Income Last Ten Fiscal Years (Unaudited)

	Outstanding Principal																
Fiscal Year		pital Outlay Certificate Debt		General Obligation Bond Debt	Other Long Ferm Debt	Total Debt	fo	Reserved r Payment GO Bond Debt	٨	let Total Debt	Ac	Estimated tual Value of Taxable perty (000) **	Ratio of Net Total Debt to Actual Value of Taxable Property	et Debt er Capita	Per	ss Debt Capita	Gross Total Debt as a % of Personal Income ^^
2007	\$	1,025,000	\$	5,220,000	\$ -	\$ 6,245,000	\$	428,840	\$	5,816,160	\$	876,482	0.66 %	\$ 265	\$	284	0.85 %
2008***		520,000		8,170,000	-	8,690,000		4,136,715		4,553,285		944,378	0.48	206		394	0.62
2009		7,090,000		3,720,000	-	10,810,000		497,889	1	0,312,111		1,078,231	0.96	463		485	1.31
2010		6,670,000		2,845,000	-	9,515,000		469,543		9,045,457		1,106,923	0.82	405		426	1.16
2011		6,150,000		1,940,000	-	8,090,000		502,772		7,587,228		1,145,478	0.66	338		360	0.96
2012^		9,670,000		1,015,000	-	10,685,000		599,974	1	0,085,026		1,156,595	0.87	446		473	1.16
2013^		9,120,000		60,000	-	9,180,000		139,785		9,040,215		1,244,585	0.73	400		406	1.02
2014		4,640,000		_	-	4,640,000		-		4,640,000		1,307,428	0.35	204.44		204	0.52
2015^^^		3,985,000		-	1,000,000	4,985,000		-		4,985,000		1,398,726	0.36	220		220	0.57
2016	\$	3,335,000	\$	_	\$ 800,000	\$ 4,135,000	\$	-	\$	4,135,000	\$	1,492,083	0.28 %	\$ 182	\$	182	0.41 %





<sup>\*</sup> The source of this information is District records unless otherwise noted.

\*\* The source of this information is Yankton County records.

\*\*\* Includes \$3,720,000 cross-over refunding GO Bonds retired in 2009.

^ Includes \$4,055,000 cross-over refunding Capital Outlay Certificates. See Note 8 of Notes to Basic Financial Statements.

^^ The source of this information is the Bureau of Economic Analysis.

^^ Energy loan financed through State of South Dakota

# Yankton School District 63-3 Computation of Direct and Overlapping Outstanding Debt\* June 30, 2016 (Unaudited)

Jurisdiction	Net Debt utstanding	Percentage Applicable to School District	Amount Applicable to School District		
Overlapping:					
Yankton County **	\$ 9,735,000	84.9 %	\$	8,268,425	
City of Yankton	1,745,000	100.0		1,745,000	
Total Overlapping				10,013,425	
Direct:					
Yankton School District 63-3 ***	4,135,000	100.0		4,135,000	
Total Direct and Overlapping Debt			\$	14,148,425	

<sup>\*</sup>The source of this information is District and County records.

\*\* Yankton County completely encompases Yankton School District. Therefore, the percentage of County debt applicable to the District is determined by dividing the total taxable value of the District by the total taxable value of the County.

\*\*\* See Note 8 of Notes to Basic Financial Statements for details.

# Yankton School District 63-3 Computation of Legal Debt Margin\* June 30, 2016 (Unaudited)

# <u>District General Obligation Bonds, Capital Outlay Certificates and Long-Term Capital Leases:</u>

Assessed Value 2015 payable 2016

\$ 1.326,077,806

Debt limit - 10% of assessed value

132,607,781

Amount of debt applicable to debt limit:

Capital Outlay Certificates, Series 2012 Other Long Term Debt, 2015 Energy Efficiency Loan

3,335,000 800,000

Total net debt applicable to limit

4,135,000

Legal Debt Margin

\$ 128,472,781

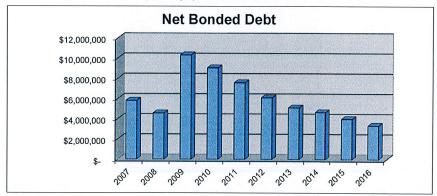
<sup>\*</sup> The source of this information is District records

# Yankton School District 63-3 Ratio of Net Bonded Debt to Assessed Value/Ratio of Legal Debt Margin to Debt Limit/ Ratio of Personal Income to Net Bonded Debt/Net Bonded Debt Per Capita \* Last Ten Fiscal Years (Unaudited)

Fiscal Year	Total Assessed Value**		Limit (10% essed Value)	 et Bonded Debt plicable to Debt Limit	Le	gal Debt Margin	Ratio of Net Bonded Debt to Assessed Value	Ratio of Legal Debt Margin to Debt Limit	Ratio of Net Bonded Debt To Personal Income***	Net Bonded Debt Per Capita***
2007	\$ 795,287,506	\$	79,528,751	\$ 5,816,160	\$	73,712,591	0.73	92.7	0.85	265
2008	873,219,129		87,321,913	4,553,285		82,768,628	0.52	94.8	0.62	206
2009	957,623,775		95,762,378	10,312,111		85,450,267	1.08	89.2	1.29	463
2010	983,749,271		98,374,927	9,045,457		89,329,470	0.92	90.8	1.14	405
2011	1,043,828,981		104,382,898	7,587,228		96,795,670	0.73	92.7	0.96	338
2012	1,072,871,783		107,287,178	6,106,623		101,180,555	0.57	94.3	0.70	270
2013	1,079,989,635		107,998,964	5,100,124		102,898,840	0.47	95.3	0.57	226
2014	1,158,629,774		115,862,977	4,640,000		111,222,977	0.40	96.0	0.52	204
2015	1,244,186,322		124,418,632	3,985,000		120,433,632	0.32	96.8	0.45	176
2016	\$1,326,077,806	\$ 1	132,607,781	\$ 3,335,000	\$	129,272,781	0.25	97.5	0.33	147

<sup>\*</sup> The source of this information is District records.

<sup>\*\*\*</sup> Estimates based on data found in "Yankton County Demographic Statistics", Table 26.



<sup>\*\*</sup> Data is for calendar years 2006-2015, taxes payable in 2007-2016.

# Yankton School District 63-3 Yankton County Demographic Statistics\* Last Ten Calendar Years (Unaudited)

Year	Estimated County Population *	Per Capita Personal Income*	Personal Income (thousands)*	Unemployment Rate (June)**
2006	21,957	31,278	686.773	2.7
2007	22,064	33,166	731,776	2.6
2008	22,267	35,943	800.349	2.5
2009	22,331	35,536	793,564	4,1
2010	22,476	35,345	794,420	4.5
2011	22,612	38,458	869,616	4.0
2012	22,603	39,364	889,755	4.1
2013	22,696	39,308	892,144	3.5
2014	22,684	38,870	881,716	2.9
2015	22,702	44,953	1,020,514	2.5

<sup>\*</sup> Data for the District is not available. The source of this information is the US Bureau of Economic Analysis.

 $<sup>\</sup>ensuremath{^{\star\star}}$  The source of this information is the South Dakota Department of Labor.

# Yankton School District 63-3 Principal Employers\* Yankton County, South Dakota (Unaudited)

			Percent of Total Work		Percent of Total Work
Employer	Classification	FY2007	Force	FY2016	Force
Avera Sacred Heart Hospital and Health Services	Medical	910	7.61 %	1,000	8.65 %
Applied Engineering, Inc.	Manufacturing	110	0.92	162	1.40
Baldwin Filters, Inc.	Manufacturing	193	1.61	205	1.77
Cimpl Packing Company	Manufacturing	207	1.73	220	1.90
***Dakota Trailer	Manufacturing	-	-	140	1.21
Federal Prison Camp	Government	115	0.96	110	0.95
First Dakota National Bank	Financial	130	1.09	150	1.30
First National Bank of Omaha	Financial	257	2.15	250	2.16
Manitou Americas, Inc. (Gehl Power Products)	Manufacturing	215	1.80	250	2.16
Hy-Vee Food Stores	Retail	401	3.35	450	3.89
Kolberg-Pioneer, Inc.	Manufacturing	370	3.09	440	3.80
***L&M Radiator, Inc.	Manufacturing	-	-	130	1.12
***Menards	Retail	_	-	150	1.30
Mount Marty College	Education	135	1.13	429	3.71
Sapa Extrusions	Manufacturing	486	4.06	400	3.46
Shur-Co	Manufacturing	228	1.91	250	2.16
South Dakota Human Services Center	Medical	565	4.72	700	6.05
Vishay Dale Electronics	Manufacturing	283	2.37	292	2.52
Wal-Mart	Retail	340	2.84	305	2.64
Wilson Trailer Company	Manufacturing	236	1.97	337	2.91
Yankton Medical Clinic	Medical	265	2.22	250	2.16
Yankton School District 63-3	Education	355	2.97	525	4.54
Total		5,801	48.50 %	7,145	61.78 %
Total Employed-Yankton County**		11,960		11,566	

<sup>\*</sup> The sources of this information are the Yankton Office of Economic Development and District records.

\*\* The source of this information is the South Dakota Department of Labor, Labor Market Information Center.

\*\*\*\*This business was not established in Yankton in 2006.

# Yankton School District 63-3 Miscellaneous Statistics\* June 30, 2016 (Unaudited)

Date established	1875	
Area (square miles)	216	
Yankton County Population (2015)	22,702	**
Number of Schools :		
Elementary Schools	4	
Middle Schools	1	
High Schools	1	
Students to Staff Ratio (FY 2015)	18.4	***
Official 2015 Student Enrollment	2,706	
Students Transported (FY 2016)	623	

<sup>\*</sup> Except where otherwise indicated, the source of this information is District records.

\*\* District data not available. The source of this information is the U.S. Census Bureau.

<sup>\*\*\*</sup> The source of this information is District records, Table 35.

#### Yankton School District 63-3 Capital Assets by Function \* Last Ten Fiscal Years \*\* (Unaudited)

Function	2007	2008	2009	2010	Capital Assets 2011	2012	2013	2014	2015	2016
Instruction Elementary Schools	\$ 8,708,684	\$ 8,389,821	\$ 9,037,076	\$ 11,225,981	\$ 11,416,576	\$ 11,416,575	\$ 11,176,926	\$ 11,183,749	\$ 12,138,200	\$ 12,138,200
Middle School	13,875,729	13,874,926	14,126,008	13,851,581	13,866,348	13,866,348	13,889,311	14,003,314	14,003,314	14,003,314
High School	20,359,387	21,083,290	21,438,552	20,436,825	20,616,685	20,622,635	20,640,334	20,689,293	21,186,818	21,206,593
Special Education	75,039	44,481	50,338	6,823	6,823	6,823	6,823	· · · · -	1,245,176	1,245,176
Total Instruction	43,018,839	43,392,518	44,651,973	45,521,210	45,906,432	45,912,381	45,713,394	45,876,356	48,573,508	48,593,283
Support Services										
Library Services	881,064	923,186	917,105	948,935	944,315	929,416	926,183	919,550	911,124	900,175
Superintendent	40,295	40,549	40,549	24,091	24,091	24,091	24,091	919,000	911,124	900, 175
Business Office (Fiscal Services)	965,152	921,969	1,307,747	4,247,075	3,073,207	3,066,522	2,742,818	2,742,818	2,742,818	2,742,818
Improvements Other Than Buildings	407,450	407,450	567,963	553,263	714,443	714,443	714,443	714,443	714,443	714,443
Building/Building Improvements	959,426	1,048,063	1,095,235	1,178,699	967,265	1,039,280	72,015	1,666,331	111,965	204,775
Operation & Maintenance of Plant	192,311	196,096	343,624	223,525	282,711	338,869	459,566	459,566	459,566	465,536
Care & Upkeep of Grounds	386,928	384,756	410,388	439,632	438,573	638,921	638,921	652,511	652,511	687,640
Network		· •	-	-	1,177,466	1,209,697	1,316,460	1,506,279	1,632,394	1,988,892
Pupil Transportation	1,349,849	1,430,945	1,434,257	1,421,554	1,428,038	1,506,538	2,446,808	2,473,703	2,473,703	2,538,643
Food Service	563,146	574,154	580,353	365,627	398,645	400,462	339,208	327,670	347,950	347,950
Website Development	·-			,	36,827	36,827	36,827	36,827	36,827	36,827
Total Support Services	5,745,622	5,927,168	6,697,220	9,402,401	9,485,581	9,905,066	9,717,340	11,499,698	10,083,301	10,627,699
Co-Curricular	1,843,709	2,388,636	2,506,094	2,075,786	2,135,218	2,028,577	2,028,578	2,050,805	2,066,565	2,095,645
Total Capital Assets	\$ 50,608,170	\$ 51,708,322	\$ 53,855,287	\$ 56,999,397	\$ 57,527,231	\$ 57,846,024	\$ 57,459,312	\$ 59,426,859	\$ 60,723,374	\$ 61,316,627

<sup>\*</sup>The source of this information is District records.

# Yankton School District 63-3 General State Aid Adjusted Average Daily Membership (ADM)/Fall Enrollment\* Last Ten Fiscal Years (Unaudited)

General State Aid Adjusted

	ochoral otate Ala Aajastea	
Fiscal Year	ADM/Fall Enrollment	Change
2007	2,960.36 ***	(5.83)
2008	2,926.02	(34.34)
2009	2,824.87	(101.15)
2010	2,792.43	(32.44)
2011	2,750.05	(42.38)
2012	2,666.06	(83.99)
2013	2,690.56	24.50
2014	2,682.41	(8.15)
2015	2,685.36	2.95
2016	2,709.67	24.31

\* The source of this information is the South Dakota Department of Education.

\*\* Beginning with fiscal year 2007-08, the state based state aid on official fall enrollment in the previous year rather than ADM.

\*\*\* Official fall enrollment for September 29, 2006. This enrollment figure was used to calculate state aid for the 2007-08 fiscal year. The source of this information is South Dakota Department of Education.

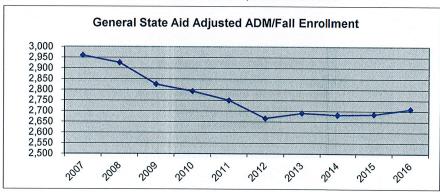


Table 31

# Yankton School District 63-3 Average Daily Membership/Attendance Last Ten Fiscal Years (Unaudited)

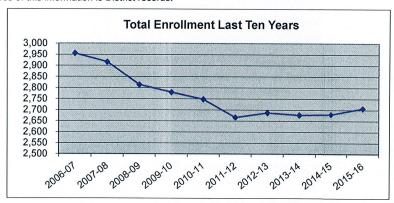
	Average Daily Membership	Average Daily Attendance	ADA as % of
Fiscal Year	(ADM)*	(ADA)**	ADM
2007	2,945	2,826	96.0 %
2008	2,908	2,766	95.1
2009	2,779	2,666	95.9
2010	2,778	2,647	95.3
2011	2,720	2,608	95.9
2012	2,651	2,592	97.8
2013	2,657	2,544	95.7
2014	2,654	2,564	96.6
2015	2,655	2,554	96.2
2016	2,691	2,598	96.5 %

<sup>\*</sup> The source of this information is South Dakota Department of Education. \*\* The source of this information is District records.

# Yankton School District 63-3 Enrollment Data (Last Friday of September)\* Last Ten Fiscal Years (Unaudited)

GRADE	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
K	215	224	209	265	271	240	261	241	244	242
1	194	182	179	170	209	212	192	206	188	186
2	188	191	180	185	174	201	223	194	195	198
3	214	183	184	184	188	170	201	214	196	203
4	210	222	187	184	188	190	175	202	210	201
5	206	218	220	184	181	186	188	165	196	204
6	227	203	214	216	180	166	187	195	169	200
7	205	230	210	214	211	177	168	196	204	172
8	246	212	231	201	213	212	176	174	201	211
9	276	263	230	260	217	240	236	223	201	238
10	257	273	271	223	251	215	242	231	224	196
11	246	259	255	253	215	243	206	232	223	222
12	270	255	243	240	249	213	231	203	228	233
TOTAL CHANGE	2,954 (37)	2,915 (39)	2,813 (102)	2,779 (34)	2,747 (32)	2,665	2,686 21	2,676	2,679	2,706
STIANGE	(31)	(39)	(102)	(34)	(32)	(82)	21	(10)	3	27

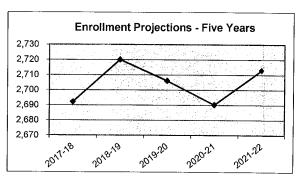
<sup>\*</sup>The source of this information is District records.



# Yankton School District 63-3 Enrollment Projections\* Next Five Fiscal Years (Unaudited)

	2017-18	2018-19	2019-20	2020-21	2021-22
GRADE	Projected	Projected	Projected	Projected	Projected
K	245	245	245	245	245
1	195	195	195	195	195
2	185	195	195	195	195
3	186	185	195	195	195
4	198	186	185	195	195
5	203	198	186	185	195
6	201	203	198	186	185
7	204	201	203	198	186
8	200	204	201	203	198
9	201	229	233	230	232
10	240	201	229	233	230
11	238	240	201	229	233
12	196	238	240	201	229
TOTAL	2,692	2,720	2,706	2,690	2,713
CHANGE	50	28	(14)	(16)	23

\*The source of this information is District records.



# Yankton School District 63-3 Full-Time Equivalent (FTE) Employees by Function Last Ten Fiscal Years (Unaudited)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Instruction										
Certified Teachers										
Regular K-12	137.90	139.50	140.50	138.50	141.00	129.50	127.00	127.00	129.00	130.40
Alternative Education 9-12	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00
Special Education	16.00	16.00	16.00	17.00	18.00	18.00	18.00	18.00	19.00	19.00
Music	9.00	9.00	9.00	9.00	8.50	8.50	8.00	8.00	8.00	8.00
Enrichment/Technology	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-
Title 1	7.60	7.00	7.00	8.00	8,50	6.00	6.00	6.00	7.00	7.00
Total Teachers	174.50	175.50	176,50	176.50	180,00	165.00	162.00	161.00	165.00	166.40
Paraprofessionals										
Regular K-12	7.40	9.40	9.20	9.60	9.60	4.00	4.00	4.00	4.00	4.00
Special Education	42.00	44.00	48.90	48.90	56.00	54,00	54.00	54.00	55.00	55,00
Total Paraprofessionals	49,40	53.40	58.10	58.50	65.60	58.00	58.00	58.00	59.00	59.00
Total Instruction	223.90	228.90	234.60	235.00	245.60	223.00	220.00	219.00	224.00	225.40
Support										
Guidance	8.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00
Librarians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
School Nurses	2.60	2.60	2.60	2.60	2.00	2.00	2,00	2.00	2.00	2.00
School Psychologists	2.00	2.00	2.00	2.00	2.00	1.00	2.00	2.00	2.00	2.00
Speech Therapists	5.00	5.00	5.00	5.00	5.40	5.40	5.00	5.00	6,00	6,00
Occupational/Physical Therapists	1.80	1,80	1.80	1.80	1.80	1.80	1,80	1.80	1,80	1.80
Social Worker/Braillist	-	_	-	-	_	_	1,00	1.00	1.00	1.00
IT Supervisor/Support	1.00	1.00	1.00	1.00	1.00	1.00	2.00	3.00	3.00	3,00
Paraprofessionals										
Regular	6.00	6.00	7.30	7.50	7.50	4.00	6.00	4.00	4.00	4.00
Special Education	1.00	1.00	-	-	-	-	-	-	-	-
Custodial/Maintenance	30.00	29.90	30.10	30.10	30,10	28,50	28.50	28.50	28.50	28,50
Secretarial/Clerical	19.00	19.00	18.90	18,90	18.90	18,55	18.55	18.55	18.55	18.55
Food Service	25.00	24.80	24.00	24.00	25,40	25,40	25.40	25.00	25.50	25.50
Transportation	17.50	18.00	17.00	17,00	18.00	15.00	15,00	15.00	15,00	15,00
Administrators	11.00	12.00	12.00	12,00	12.00	11.00	12.00	12.00	12.00	12.00
Total Support	130.90	132,10	130.70	130.90	133,10	122.65	127.25	125.85	127,35	127.35
Total Employees (FTE)	354.80	361.00	365.30	365.90	378.70	345.65	347.25	344.85	351.35	352.75

 $<sup>\</sup>mbox{\ensuremath{^\star}}$  The source of this information is District records.

# Yankton School District 63-3 Certified Staff Data Last Ten Fiscal Years (Unaudited)

Staff Data Education *	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	100	407	400	405	404	407	100			
Masters Degree	109	107	102	105	101	107	108	103	101	100
Bachelors Degree	81	83	89	86	95	84	80	83	83	87
Total	190	190	191	191	196	191	188	186	184	187
Masters as % of Total	57%	56%	53%	55%	52%	56%	57%	55%	55%	53%
Age Range *										
20-25	4	4	5	2	6	2	3	5	8	11
26-30	12	12	14	19	18	16	12	15	17	16
31-35	25	24	22	19	21	20	23	22	24	28
36-40	22	20	24	24	28	29	27	26	21	20
41-45	45	46	41	28	27	24	23	24	28	27
46-50	25	20	28	38	38	44	46	41	36	29
51-55	35	38	29	27	25	21	18	26	27	35
56-60	16	17	22	26	26	24	23	17	17	14
61+	6	9	6	8	7	11	13	10	6	7
Total	190	190	191	191	196	191	188	186	184	187
Experience Range YSD 63-3 *										
0-5	37	39	41	44	49	42	39	44	47	49
6-10	42	44	42	35	27	26	26	24	27	30
11-15	38	31	34	37	38	37	43	42	34	29
16-20	32	31	29	31	32	32	26	30	31	33
21-25	15	19	21	24	29	30	25	23	22	19
26-30	12	13	14	12	10	11	15	17	20	23
31-35	7	6	4	4	5	8	9	5	2	3
36+	7	7	6	4	6	5	5	1	1	1
Total	190	190	191	191	196	191	188	186	184	187
Average Experience YSD 63-3	14.1	14.0	13.6	13.7	14.0	14.6	14.9	13.8	13.6	13.9

<sup>\*</sup> The source of this information is District records.

(continued on next page)

# Yankton School District 63-3 **Certified Staff Data Last Ten Fiscal Years** (Unaudited)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Experience Range - Total *										
0-5	17	19	22	29	31	21	19	20	26	41
6-10	27	30	29	25	21	22	23	20	23	24
11-15	30	25	28	28	29	32	32	34	31	21
16-20	43	38	30	28	30	25	26	29	26	29
21-25	24	28	36	37	42	42	34	29	27	25
26-30	26	25	23	19	16	21	25	34	34	31
31-35	12	14	14	19	19	17	17	14	10	9
36+	11	11	9	6	8	11	12	6	7	7
Total	190	190	191	191	196	191	188	186	184	187
Average Total Experience *	18.4	18.5	18.0	17.9	18.4	18.7	19.3	18.5	17.9	17.7
YSD 63-3 Average Experience as % of Total Average Experience	76.6%	76.1%	75.6%	76.5%	76.1%	78.1%	77.2%	74.6%	76.2%	78.4%
Salary										
Base Average (Teachers Only)	\$ 40,566	\$ 41,479	\$ 42,036	\$ 44,031	\$ 45,127	\$ 44,274	\$ 44,581	\$ 44,431	\$ 44,759	\$ 45,341
Base + Activities Average	\$ 42,526	\$ 43,445	\$ 46,374	\$ 46,059	\$ 47,197	\$ 46,268	\$ 46,571	\$ 46,496		\$ 47,447
Student/Teacher Ratio										
Regular K-12 Teachers	137.9	139.5	140.5	138.5	141.0	147.0	144.0	145.0	147.0	147.0
K-12 Enrollment	2,954	2,915	2,813	2,779	2,747	2,665	2,686	2,676	2,679	2,706
Student/Teacher Ratio	21.9	21.4	20.0	20.1	19.5	18,1	18.7	18.5	18.2	18.4

 $<sup>^{\</sup>star}$  Includes Administrators, Teachers, Guidance Counselors, Librarians and Speech  $^{\star\star}$  The source of this information is District records.

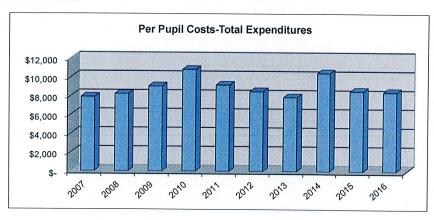
#### Yankton School District 63-3 Per Pupil Costs Based on General School System Expenditures \* Last Ten Fiscal Years (Unaudited)

				0		D.1.						Per Pup	oil Cos	ts
Fiscal	la atauatia a	Instructional	Support	Support Services**	D.1.0	Debt Services %	Co-Curricular	Co-Curricular Activites % of	Total	Enrollment	Instruc	tional	7	Γotal
Year	Instruction	% of Total	Services	% of Total	Debt Services		Activities	Total	Expenditures	(October 1)	Expend	ditures	Expe	enditures
2007	\$ 12,808,529	54.8 %	\$ 8,008,711	34.3 %	\$ 1,511,886	6.5 %	\$ 1,039,832	4.4 %	\$ 23,368,958	2,954	\$	4,336	\$	7.911
2008	13,177,167	54.9	8,545,729	35.6	1,508,980	6.3	777,274	3.2	24,009,150	2,915		4.520		8,235
2009	13,704,677	53.9	9,360,190	36.8	1,648,061	6.5	727,194	2.9	25,440,122	2,813		4,872		9,044
2010	13,561,524	45.1	14,117,364	46.9	1,680,373	5.6	724,800	2.4	30.084.061	2,779		4.880		10,825
2011	14,195,084	55.7	8,871,010	34.8	1,688,994	6.6	716,038	2.8	25,471,126	2,774		5,117		9,182
2012	12,549,058	55.4	7,758,988	34.2	1,757,540	7.8	594,465	2.6	22,660,051	2,665		4,709		8,503
2013	11,264,999	53.2	7,541,245	35.6	1,736,442	8.2	641,337	3.0	21,184,023	2,686		4,194		7.887
2014	12,665,291	45.3	9,946,708	35.6	4,694,083	16.8	653,194	2.3	27,959,276	2,676		4.733		10,448
2015	12,171,965	53.2	9,303,490	40.7	711,708	3.1	696,912	3.0	22,884,075	2,679		4,543		8,542
2016	\$12,565,872	55.0 %	\$8,688,945	38.0 %	\$895,000	3.9 %	\$697,563	3.1 %	\$22,847,380	2,706		4.644	\$	8,443

<sup>\*</sup> Includes General Fund, Capital Outlay Fund, Special Education Fund, Pension Fund and Bond Redemption Fund. Capital Projects Funds are excluded.

\*\* Support Services includes Community Services and Non-Programmed Charges starting in 2009.

\*\*\* The source of this information is District records.



#### Yankton School District 63-3 Food Service Operations Last Ten Fiscal Years \* (Unaudited)

Fiscal Year Ended June 30, 20XX

2007 2008 2010 2011 2012 2013 2014 2015 2016 Revenues **Local Sources** Sales \$ 704,736 748,401 \$ \$ 783,276 \$ 842,904 \$ 747,406 \$ 724.318 \$ 828,076 \$ 843,062 \$ 848,667 \$824,663 Interest Earnings 12.723 7,287 3,443 3,583 868 1,099 1,143 1,390 1,664 2,113 Other Local 18,674 19,843 21,084 13,267 15,629 17,875 335 200 8,706 **State Sources** Cash Reimbursements 8,373 8,398 7,325 8,580 7.949 10,204 11.224 6,320 8,420 10,417 **Federal Sources** Cash Reimbursements 476,774 493.207 505.929 563,656 587,155 593,440 617,607 638,963 633,615 669,128 **Donated Commodities** 71,018 79,596 98,198 24,973 107,866 79,549 106,169 138,767 114,871 164.045 **Total Revenues** 1,292,298 1,356,732 1,419,255 1,361,465 1,443,785 1,545,071 1,564,554 1,628,702 1,615,943 1,670,366 Expenses Salaries/Benefits 601,238 627,039 663.256 673,737 685.827 637,416 623,249 644,069 602,227 677,323 **Purchased Services** 26,489 31,145 27,847 36,562 30,577 26,994 31,115 33,745 32,680 38,560 Supplies 60,116 62,927 62,148 63,163 60,541 60,293 63,010 66,807 78,331 86,815 Cost of Sales (food) 645,060 672,493 671,007 634,269 709,611 701,421 737,763 787,953 787,002 844,665 Depreciation 45,488 23,172 7,728 28,048 16,550 16,047 16,047 12,496 18,185 11,582 Other 117 363 138 5,195 813 **Total Expenses** 1,378,508 1,417,139 1,432,123 1,435,779 1,503,106 1,442,171 1,476,379 1,545,883 1,518,425 1,658,945 Capital Contributions 10,062 13,897 6,199 37,517 33,018 14,115 5,378 Transfers In 13,000 **Change in Net Position** (76,148) (45,510) (6,670) (31,513) (26,303)117,015 101,175 88,197 97,518 11,421

347,142

\$ 270,994 \$

270,994

224,484

15,413

**Net Position-Beginning** 

**Net Position-Ending** 

**Prior Period Adjustments** 

(continued)

680,715

\$ 692,136

233,227

201,714

224,484 \$ 233,227 \$ 201,714 \$ 175,411 \$ 292,426 \$ 393,601 \$ 481,798

175,411

292,426

393,601

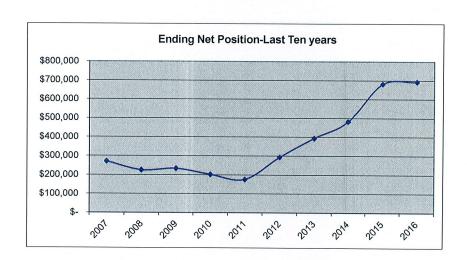
481,798

101,399

\$ 680,715

<sup>\*</sup>The source of this information is District records

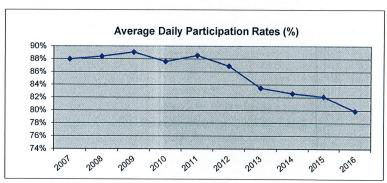
Yankton School District 63-3 Food Service Operations Last Ten Fiscal Years \* (Unaudited)



### Yankton School District 63-3 Food Service Participation Rates Last Ten Fiscal Years \* (Unaudited)

Fiscal Year	Average Daily Attendance (ADA)	Total Lunches Served	Average Lunches Served/Day	Average Daily Participation Rate (%)	Free/Reduced Average Daily Eligibility	Total Free/Reduced Lunches Served	Average Free/Reduced Lunches Served/Day	Number of Serving Days	Free/Reduced Daily Participation Rate (%)
2007	2,817	428,363	2,476	87.9 %	991	139,457	806	173	88.5 %
2008	2,748	419,927	2,427	88.3	947	139,398	806	173	85.1
2009	2,664	410,180	2,371	89.0	911	135,713	785	173	91.6
2010	2,661	402,972	2,329	87.5	980	145,977	844	173	86.1
2011	2,608	399,204	2,308	88.5	1,005	149,097	867	172	86.3
2012	2,556	383,979	2,220	86.8	1,004	147,359	872	173	86.8
2013	2,544	367,143	2,122	83.4	1,011	144,628	846	171	83.7
2014	2,564	366,423	2,118	82.6	1,015	145,924	848	172	83.6
2015	2,552	362,535	2,096	82.1	983	136,583	789	173	80.3
2016	2,598	359,071	2,076	79.9 %	1,259	137,779	810	170	64.4 %

<sup>\*</sup> The source of this data is District records.



# **Yankton School District 63-3** School Building Information \* **Last Ten Fiscal Years** (Unaudited)

School	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Beadle Elementary (1926)										
Square Feet	43,400	43,400	43,400	43,400	43,400	43,400	43,400	43,400	43.400	43,400
Enrollment	369	355	325	319	360	344	370	377	383	387
Lincoln Elementary (1951)										
Square Feet	35,320	35,320	40,420	40,420	40,420	40,420	40,420	40,420	40,420	40,420
Enrollment	405	420	397	389	395	389	389	371	369	369
Stewart Elementary (1965)										
Square Feet	34,210	34,210	47,710	47,710	47,710	47,710	47,710	47,710	47,710	47,710
Enrollment **	289	294	274	278	285	276	297	286	280	287
Webster Elementary (1950)										
Square Feet	28,233	28,233	28,233	28,233	28,233	28,233	28,233	28,233	28,233	28,233
Enrollment ***	164	151	163	186	171	190	184	188	197	191
Yankton Middle School (1956)										
Square Feet	167,747	167,747	167,747	167,747	167,747	167,747	167,747	167,747	167,747	167,747
Enrollment	678	645	655	631	604	555	531	565	574	583
Yankton High School (1995)										
Square Feet	288,465	288,465	288,465	288,465	288,465	288,465	288.465	288,465	288,465	288,465
Enrollment	1,049	1,050	999	976	932	911	915	889	876	889

<sup>\*</sup> The source of this information is District records. Enrollment count as of last Friday in September in corresponding year.

\*\* Birth - 3 special services also provided at this location (not counted in enrollment).

\*\*\* Jr. Kindergarten program started at this location in 2004-05 (counted in enrollment). Preschool program started in 2007-08 (not counted in enrollment).

# Single Audit Section

#### YANKTON SCHOOL DISTRICT NO. 63-3 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2016

Grantor/Program	CFDA Number	Grant Year	Pass-Through Entity Identifying Number	Eve	enditures
Indirect:	Number	Teal	Mullipei	Exp	enultures
U.S. Department of Agriculture:					
South Dakota Department of Education:					
School Nutrition Cluster Programs: (Note 3) (Note 4)					
School Breakfast Program	10.553	FY16	N/A	\$	133,094
National School Lunch Program	10.555	FY16	N/A	•	682,482
Summer Food Service Program for Children	10.559	FY16	N/A		38,162
Total Child Nutrition Cluster					853,738
Fresh Fruit and Vegetable Program	10.582	FY16	N/A		54,438
U.S. Department of Education: Direct:					
Impact Aid (Note 4)	84.041	FY16	S014A-2016-6522		44,414
Impact Aid (Note 4)	84.041	FY16	S041A-2013-6522		142
Impact Aid (Note 4)	84.041	FY16	S041A-2012-6522		874
Impact Aid (Note 4)	84.041	FY16	S041A-2011-6522		198
Impact Aid (Note 4)	84.041	FY16	S041A-2010-6522		148
Program 84.041 Subtotal			2011112010 0022		45,776
Indirect:					
South Dakota Department of Education:					
Title I Grants to Local Educational Agencies (Note 3)	84.010	FY16	S010A150041		473,994
Special Education Cluster			0010/1100011		110,001
Special Education (IDEA)- Grants to States	84.027	FY16	H027A150091		671,440
Special Education - Preschool Grants	84,173	FY16	H173A150091		17,559
Total Special Education Cluster					688,999
Career and Technical Education - Basic Grants to States	84.048	FY16	V048S150041		30,445
Improving Teacher Quality State Grants	84.367	FY16	S367A150039		184,380
,					101,000
Total				\$	2,330,408

<sup>\*</sup>Includes \$184,610 of non-cash awards.

#### **BASIS OF PRESENTATION**

Note 1: The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the School District under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Note 2: Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School District has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance

#### MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM

Note 3: This represents a major federal financial assistance program.

#### FEDERAL REIMBURSEMENT

Note 4: Federal reimbursements are not based upon specific expenditures. Therefore, the amounts reported here represent cash received rather than federal expenditures.

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614 Broadway PO Box 36 Yankton, SD 57078 Phone (605) 665-9401 Fax (605) 665-9418 www.williamscpas.com

# INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

School Board Yankton School District No. 63-3 Yankton County, South Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and remaining fund information of Yankton School District No. 63-3 (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Yankton School District No. 63-3 (the District)'s basic financial statements, and have issued our report thereon dated December 19, 2016.

# Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Yankton School District No. 63-3's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Yankton School District No. 63-3's internal control. Accordingly, we do not express an opinion on the effectiveness of Yankton School District No. 63-3's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We consider the deficiencies 2016-001 and 2016-002, described in the accompanying schedule of findings and questioned costs to be material weaknesses.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Yankton School District No. 63-3's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement

amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

# Yankton School District No. 63-3's Response to Findings

Yankton School District No. 63-3's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Yankton School District No. 63-3's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

Williams & Company, P.C.
Certified Public Accountants

Yankton, South Dakota December 19, 2016



614 Broadway PO Box 36 Yankton, SD 57078 Phone (605) 665-9401 Fax (605) 665-9418 www.williamscpas.com

# INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

School Board Yankton School District No. 63-3 Yankton County, South Dakota

#### Report on Compliance for Each Major Federal Program

We have audited Yankton School District No. 63-3's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Yankton School District No. 63-3's major federal programs for the year ended June 30, 2016. Yankton School District No. 63-3's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Yankton School District No. 63-3's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Yankton School District No. 63-3's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Yankton School District No. 63-3's compliance.

#### Opinion on Each Major Federal Program

In our opinion, Yankton School District No. 63-3, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

#### Report on Internal Control Over Compliance

Management of Yankton School District No. 63-3, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Yankton School District No. 63-3's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Yankton School District No. 63-3's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as an item, 2016-003, to be a material weakness.

Yankton School District No. 63-3's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Yankton School District No. 63-3's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

Williams & Campony, P. C. Certified Public Accountants

Yankton, South Dakota December 19, 2016

# YANKTON SCHOOL DISTRICT NO. 63-3 SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

# SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements		
Type of auditor's report issued: Unmodified		
Internal control over financial reporting:		
Material weakness(es) identified?	X_Yes	No
<ul> <li>Significant deficiencies identified?        </li> </ul>	Yes	XNone
Noncompliance material to financial statements noted?	Yes	XNo
Federal Awards		
Internal control over major programs:		
Material weakness(es) identified?	X_Yes	No
Significant deficiencies identified?  Reported	Yes	X_None
Type of auditor's report issued on compliance for major prog	grams: Unm	odified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.515 of the Uniform Guidance.	X_Yes	No
Identification of major programs:		
Child Nutrition Cluster		
CFDA Number 84.010 – Title I Grants to Local Educ	cation Agenc	ies
Dollar threshold used to distinguish between type A type B programs:		\$ 750,000
Auditee qualified as low-risk auditee?	Yes	X No

### YANKTON SCHOOL DISTRICT NO. 63-3 SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

#### **SECTION II - FINANCIAL STATEMENT FINDINGS**

#### **INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

#### **MATERIAL WEAKNESSES:**

2016-001 - Financial Accounting - Management Override/Segregation of Duties

<u>Condition and Criteria</u> - The District business manager is involved in almost all phases of the finance operations, including preparation of journal entries, grant reporting, and financial reporting without sufficient review of origination work. Internal controls should be in place to provide reasonable assurance that individuals' financial accounting duties are properly reviewed.

<u>Effect</u> - Because of insufficient review procedures, the financial accounting is susceptible to an increased risk of errors and omissions and risk of fraud and/or misappropriations of assets.

<u>Cause</u> - With a limited number of personnel and time-constraints, review of all financial accounting activities is not feasible.

<u>Recommendation</u> – Adequate review procedures should be implemented where feasible and cost-effective and continued monitoring should be done where implementation is not feasible.

<u>Views of Responsible Officials</u> - The District's management feels that hiring additional personnel to implement further review procedures would not be cost-effective. However, management has and will continue to monitor this process on a regular basis.

2016-002 - Financial Accounting - Material Adjusting Journal Entries

<u>Condition and Criteria</u> — The auditors were required to propose and have management post adjusting journal entries to the fund financial statements in order for the financial statements to conform with U.S. generally accepted accounting principles. Management is responsible for the preparation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP).

<u>Effect</u> – The financial statements provided by management are not presented entirely in accordance with U.S. generally accepted accounting principles.

<u>Cause</u> – With a limited number of personnel and current staff workload, the time constraints and staff expertise do not allow for all required year end U.S. GAAP adjusting journal entries to be posted.

<u>Recommendation</u> - We recommend that the District train additional business office staff on U.S. GAAP and government accounting standards to help reduce the amount of adjusting journal entries and increase their knowledge of the required reporting standards.

<u>Views of Responsible Officials</u> - District management feels that hiring additional personnel to implement the additional US GAAP adjusting journal entries would not be cost-effective. However, management has and will continue to monitor this process on a regular basis.

#### YANKTON SCHOOL DISTRICT NO. 63-3 SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

#### SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

#### **INSTANCES OF NON-COMPLIANCE**

No matters were noted.

#### **MATERIAL WEAKNESSES:**

Child Nutrition Cluster:

CFDA Number 10.553: School Breakfast Program CFDA Number 10.555: National School Lunch Program

CFDA Number 10.559: Summer Food Service Program for Children

Federal Award Year: 2016 U.S. Department of Agriculture

Passed through the South Dakota Department of Education

#### Title I:

CFDA Number 84.010: Grants to Local Education Agencies

Agency Number: 46-80430 Federal Award Year: 2016 U.S. Department of Education

Passed through the South Dakota Department of Education

2016-003 - Financial Accounting - Management Override/Segregation of Duties

<u>Condition and Criteria</u> - The District business manager is involved in almost all phases of the finance operations, including preparation of journal entries, grant reporting, and financial reporting without sufficient review of origination work. Internal controls should be in place to provide reasonable assurance that individuals' financial accounting duties are properly reviewed.

<u>Effect</u> - Because of insufficient review procedures, the financial accounting is susceptible to an increased risk of errors and omissions and risk of fraud and/or misappropriations of assets.

<u>Cause</u> - With a limited number of personnel and time-constraints, review of all financial accounting activities is not feasible.

Recommendation – Adequate review procedures should be implemented where feasible and cost-effective and continued monitoring should be done where implementation is not feasible.

<u>Views of Responsible Officials</u> - The District's management feels that hiring additional personnel to implement further review procedures would not be cost-effective. However, management has and will continue to monitor this process on a regular basis.



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#### YANKTON SCHOOL DISTRICT NO. 63-3 CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2016

#### **CURRENT-YEAR AUDIT FINDINGS:**

The following significant deficiencies regarding Internal Control over Financial Reporting and Internal Control Over Compliance are considered to be material weaknesses at June 30, 2016:

#### FINANCIAL STATEMENT FINDINGS

2016-001 - Financial Accounting - Management Override/Segregation of Duties

<u>Condition</u> – The District business manager is involved in almost all phases of the finance operations, including preparation of journal entries, grant reporting, and financial reporting without sufficient review of origination work.

#### CORRECTIVE ACTION PLAN:

Jason L. Bietz is the contact person responsible for the corrective action plan for this comment. This comment is a result of the size of the Yankton School District, which precludes staffing at a level sufficient to provide the perfect environment for ideal internal controls. Yankton School District has determined it is not cost beneficial to employ additional personnel just to be able to adequately segregate all duties and review all financial reporting. Yankton School District is aware of this issue and is attempting to provide compensating controls wherever and whenever possible and practical.

2016-002 - Financial Accounting - Material Adjusting Journal Entries

<u>Condition</u> – The auditors were required to propose and have management post adjusting journal entries to the fund financial statements in order for the financial statements to conform with U.S. generally accepted accounting principles.

#### CORRECTIVE ACTION PLAN:

Jason L. Bietz is the contact person responsible for the corrective action plan for this comment. This comment is the result of a limited number of staff and time constraints. Management will double check the financial statements in the future and all supporting schedules to verify that all adjustments are properly made.

#### FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2016-003 - Financial Accounting - Management Override/Segregation of Duties

<u>Condition</u> – The District business manager is involved in almost all phases of the finance operations, including preparation of journal entries, grant reporting, and financial reporting without sufficient review of origination work.

# CORRECTIVE ACTION PLAN:

Jason L. Bietz is the contact person responsible for the corrective action plan for this comment. This comment is a result of the size of the Yankton School District, which precludes staffing at a level sufficient to provide the perfect environment for ideal internal controls. Yankton School District has determined it is not cost beneficial to employ additional personnel just to be able to adequately segregate all duties and review all financial reporting. Yankton School District is aware of this issue and is attempting to provide compensating controls wherever and whenever possible and practical.

Jason L. Bietz, Business Manager